

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Thursday, December 8, 1994

No. 34,766

Britain Asks If Major Can Survive Until End of Term

By John Darnton
New York Times Service

LONDON — John Major's authority has been so devastated by his stunning defeat in Parliament on Tuesday night that people both inside and outside the Conservative Party were wondering Wednesday if the prime minister could survive another two and a half years.

The defeat, which came on the government's plan to slash a hefty tax increase on home heating fuel and electricity, was being compared to the poll tax, the issue that brought down Mr. Major's predecessor, Margaret Thatcher.

But Mrs. Thatcher managed to push through the poll tax, which raised revenues for localities by head and was effectively scrapped only after she resigned four years ago. Mr. Major did not get that far. The additional value-added tax on fuel was turned back on a procedural amendment, 319 to 311.

What stopped him was a rebellion among the back-benchers in his own Tory party. Divisions and bitterness in the party now run so deep that Mr. Major is hard put to sponsor any bill with even a hint of discord to it. Already the government has backed away from what was to have been its showcase legislation this year — privatizing the post office.

The divisions initially cropped up over the issue of closer ties to Europe, a course that the government is committed to in a lukewarm way but that is vociferously opposed by two dozen or so Conservative members of Parliament. By now the rent is so big that it encompasses everything from personal grudges and recriminations to doubts about Mr. Major's leadership.

The full dimension of his defeat was spelled out in headlines in Wednesday's newspapers and the crowing epitaphs of opposition leaders. The government, said Tony Blair, the new and popular Labor leader, is "in disarray, discredited, no longer in control of events" and "terminally incapable of asserting its authority."

What makes these pronouncements different from those of the past is that there is no evidence to support them. The fuel tax increase, to 17.5 percent from 8 percent, had been agreed upon two years ago and approved by the House of Commons four times already. All in all, it was a perfunctory bit of budgetary business, hardly worthy of sparking a rebellion. Not since the Labor government of the late

See **TORIES**, Page 4



Bosnian Croats entering Celebic, southwest Bosnia, on Wednesday, after Serbs apparently abandoned the village.

U.S. Army Readiness Slips in Europe

By Rick Atkinson
Washington Post Service

HEIDELBERG, Germany — The combat readiness of the U.S. Army in Europe has substantially eroded in the last two years because \$300 million was diverted from training funds to pay quality-of-life expenses, the army's European commander in chief disclosed in an interview this week.

General David M. Maddox, who commands the 72,000 U.S. soldiers still based in Europe, said his two major combat units, the 1st Armored Division and the 3rd Infantry Division, had both slipped from C-1 to C-2 on the four-step scale the

U.S. Army uses in an effort to objectively measure fitness to fight.

"I have consistently diverted money from training because I have been consistently underfunded in taking care of my soldiers," General Maddox said in an interview at his Heidelberg headquarters.

"The diversion of that money from training to quality-of-life is my fault. I did it. But you need to be able to turn the lights on. You've got to get the trash picked up. You have to pay the utility bills."

"I did not have the money to do that, and I diverted it," he said. "Am I proud of it? Absolutely not."

The disclosure comes less than a month

after Defense Secretary William J. Perry acknowledged that three stateside divisions — identified by army officers as the 1st Infantry, 4th Infantry and 2nd Armored — had slipped to C-3, indicating significant fighting deficiencies and vulnerabilities.

But the army has long tried to keep its forward deployed units in Germany, Korea, Hawaii and Alaska ready to undertake full wartime missions; General Maddox's admission implies the strains now felt by a military caught between a contracting Defense Department budget and a relentless string of deployments to Somalia, Macedonia and Bosnia.

See **ARMY**, Page 4

Bosnia Dead End: Fury and Blame

Assailing U.S., France Asks UN And NATO for Pullout Plan

By Roger Cohen
New York Times Service

ZAGREB, Croatia — Deouncing America for contributing to what he called the "total dead end in Bosnia," Foreign Minister Alain Juppé of France said Wednesday that Paris had asked the United Nations and NATO to draw up detailed plans for the withdrawal of peacekeepers in Bosnia.

"I say today that the the obstinacy of some and the demagoguery of others risks setting the Balkans ablaze tomorrow," Mr. Juppé told the French National Assembly. "I am still ready to do everything I can to prevent such a development but my duty, alas, is to say that it is no longer improvable."

In a clear allusion to the United States, he criticized governments "which teach us lessons daily and have not lifted a little finger to put even one man on the ground."

His statement reflected widespread exasperation at the failure of international mediation efforts, Serbian humiliation of UN peacekeepers and the way the counter-attack by the Serbs on the Muslim enclave of Bihać has exposed NATO threats and UN resolutions as empty.

NATO and the United Nations have in fact been involved in detailed planning for a withdrawal of the 23,000 peacekeepers in Bosnia for several months. Indeed the chief of staff of United Nations forces here, Brigadier General Roy Ratazzi, has worked on little else since August.

Thus Mr. Juppé's statement appeared to be aimed primarily at conveying a strong message to the warring parties in Bosnia that the time for a settlement was running out.

The Muslim-led Bosnian government would be deeply worried by a withdrawal because it would remove an important buffer against the Serbs. The Serbs would be less concerned but know that a United Nations withdrawal would leave them more exposed to eventual Western military action.

"If they pack up and take their weapons with them and don't leave them in the hands of the Muslims, the United Nations peacekeepers will be allowed to leave Bosnia," the Bosnian Serb leader, Radovan Karadzic, said Wednesday.

A complete withdrawal would require a decision from the UN Security Council that does not appear imminent. It would almost certainly lead to the collapse into Serbian hands of the remaining Muslim

enclaves — Srebrenica, Zepa and Gorazde in eastern Bosnia, and Bihać in the west. In its repeated acidity over American diplomacy in Bosnia, Mr. Juppé's speech also seemed aimed at passing blame to the Clinton administration for what would amount to a major embarrassment to the British and French governments.

Because it is not an intercontinental threat and because West European governments initially thought they could solve the conflict alone, Bosnia has repeatedly put the United States and Europe at odds, within NATO and outside.

"We have asked the United Nations and NATO to plan in detail the withdrawal of United Nations peacekeepers," Mr. Juppé said. "This is a high-risk operation that will require reinforcing troops on the ground first."

Current planning calls for those reinforcements to include American troops among an estimated 20 NATO divisions — or over 20,000 soldiers — that would be used to protect and transport the peacekeepers in a high-risk operation. The Clinton administration has indicated willingness to take part.

NATO on Wednesday formally asked member states how many troops they would contribute to such a Bosnian evacuation. Foreign Minister Douglas Hurd said Britain hoped its troops could stay in Bosnia, but planning for a withdrawal was constantly updated.

In practice, several ideas exist for a Bosnian withdrawal. It could involve only some countries — for example troops from European Union nations — and it could be limited to certain areas of Bosnia.

But any move will be highly sensitive politically, especially as several Islamic countries, including Iran, are lining up to replace nations that pull out. A meeting this week of the 52-nation Organization of the Islamic Conference in Geneva, attended by the Bosnian president, Alija Izetbegovic, produced pledges of up to 20,000 new troops.

Moreover, the mission is not without its successes that could be endangered by withdrawal. In central Bosnia, for example, where peace exists between the Muslim and Croatian forces who were killing each other in 1993, the United Nations presence is clearly achieving something.

Proving Rape: Vexing Task for War Tribunal

By Marlene Simons
New York Times Service

THE HAGUE — In a well-guarded modern building here, stacks of folders stand as silent testimony to a rampage against women, telling of the large-scale and organized rape that soldiers inflicted during the Serbian "ethnic cleansing" of Bosnia-Herzegovina.

Evidence of the magnitude of the abuse was so shocking that it persuaded the United Nations to identify systematic rape as a weapon of war and to include it among the crimes to be tried by the international community.

Yet 18 months after the Yugoslav War Crimes Tribunal was established, it is proving difficult to turn the horror stories recounted mainly by Muslim girls and women into prosecution cases. Indeed, so far the tribunal has indicted just one man and his case does not include sexual abuse.

Last year, a team of European Community investigators calculated that, in 1992, some 20,000 Muslim women and girls, some as young as 10 years old, were raped by Bosnian Serb soldiers as part of a deliberate strategy to terrorize people, drive them from their homes, and shatter communities in Bosnia-Herzegovina. Other estimates are much higher. Many women told investigators they were raped in front of their husbands, parents, or children, while many others said they were held in women's camps where they were

See **RAPE**, Page 4

Woes in Unmerry Windsor Wildcat Oil Drilling Plan Near Castle Only Adds to Royal Family's Troubles

By Erik Ipsen
International Herald Tribune

LONDON — What has been yet another annus horribilis for the House of Windsor lurched deeper into the danger zone on Wednesday as a leaked document suggested that hundreds of royal staffers and courtiers were living the high life rent free in several royal palaces.

That unwelcome omen came as public opposition mounted to Queen Elizabeth's surprising decision to allow wildcaters to drill for oil near the walls of Windsor Castle.

"Nearly two out of three courtiers are living rent free in five palaces maintained by the taxpayer for the queen," the Guardian newspaper reported at the top of its front page Wednesday.

For the Labor Party, whose leader, Tony Blair, had only days ago stirred up controversy by calling for a radically smaller, Scandinavian-style monarchy, the news was a godsend.

"Plainly, stories like this emphasize the need to have a debate on the relationship between the monarchy and the state through the Treasury," a Labor spokesman said.

While politicians debated the finer points of constitutional reform, residents of Windsor fumed. Last week, the borough council voted unanimously against the planned exploratory oil well.

"It is something that in visual terms should not happen," said John Colby, director of planning for the royal borough of Windsor and Maidenhead. He called it "insensitive."

At beleaguered Buckingham Palace, a spokeswoman pondered that accusation and promptly ducked. Jill Middleburgh noted that before the queen's approval, the government had stacked the cards by granting its approval. "Maybe it was a bit insensitive for the government to give the license in the first place," she said.

It is now up to the county government to approve or reject the proposed exploratory well, whose reserves are estimated at as high as 100 million barrels. Experts estimate that the deposit beneath the castle

See **QUEEN**, Page 4



CLAUS CLASS — Some of the 450 students dressed as Santa Claus sitting in the conference hall of Berlin's Free University on Wednesday. Each year the students organize a rent-a-Santa service at Christmastime.

Kiosk

Moscow vs. 'Mr. No'

MOSCOW (Reuters) — Foreign Minister Andrei V. Kozyrev said Wednesday that the UN Security Council should stop acting as "Mr. No" over easing sanctions against Iraq. "We think the Security Council should shift from the position of 'Mr. No' to a more flexible and diplomatic position," Mr. Kozyrev told reporters after talks with the Iraqi deputy prime minister, Tariq Aziz.

Correction

In Wednesday's editions, the International Herald Tribune incorrectly reported verdicts in the Paris trial of suspects in the killing of Shahpur Bakhtiar, Iran's former prime minister. The correct verdicts are: Zeynol Abedin Sarhadi, 28, an architect at the Iranian Embassy in Bern, was acquitted and Massoud Hendi, 47, a businessman, was sentenced to 10 years in prison. Another defendant, Ali Vakili Rad, 35, was given a life sentence and ordered to serve at least 18 years. The IHT regrets the errors.

A California County's Financial Tremors Shake Wall Street

By Lawrence Malkin
International Herald Tribune

NEW YORK — Orange County has numerous claims to fame. The fast-growing suburban county south of Los Angeles prospered mightily on government defense contracts but votes overwhelmingly for free-enterprise politicians. Its freewheeling financial institutions helped spawn the

savings and loan crisis of the 1980s. It is also the home of Disneyland.

And Tuesday afternoon, after American securities houses refused to roll over its loans and started taking possession of bonds they held as collateral, Orange County made history: Following disastrous losses in its investment fund, it sought protection in the largest municipal

bankruptcy filing in American history to prevent Wall Street from making a run at the rest of its \$7 billion in assets.

Wall Street and foreign investors fled to the safety of Treasury bonds, wondering whether the over-leveraged California county would prove the epicenter of an international financial earthquake like the bankruptcy of Mexico in 1982 or

New York City's bond bailout in 1975.

Not very likely, said money market analysts. But they also warned that the unwinding in credit markets, courts, and municipal rating agencies would be long and messy, a slow-motion readjustment of the kind that predictably follows when market

See **ORANGE**, Page 3

How Many Bottles of Beer on the Wall? At College, Too Many to Count

By Christopher B. Daly
Washington Post Service

BOSTON — Nearly half the college students in America are binge drinkers who cause an array of "second-hand" problems on campus ranging from vandalism to rape to fatal accidents, according to an extensive study.

The findings, culled from a survey of 17,592 students, present a picture of U.S. college campuses awash in beer, where a projected 3 million students go on drinking sprees even though most are too young to drink legally. On some campuses, the rate of binge drinking soared to 70 percent of the student body, and fraternities and sororities had still higher rates.

At a press conference announcing the study, which appeared Tuesday in the Journal of the American

Medical Association, the researcher, Henry Wechsler, said 50 percent of male students and 39 percent of female students were binge drinkers.

"Beer is the drug of choice on American college campuses today," said Mr. Wechsler, director of the Alcohol Studies Program at the Harvard School of Public Health. He said college administrators and students themselves must make drunkenness unacceptable.

Mr. Wechsler was joined by Representative Joseph P. Kennedy, a Massachusetts Democrat, who has long sought legislation to require health warning labels on alcoholic beverage advertising. Mr. Kennedy denounced the brewing industry for spending billions on advertising aimed at encouraging youngsters to drink.

Mr. Kennedy, whose congressional district includes Harvard, MIT and roughly 30 other colleges and universities with a total of nearly 250,000 students, said the alcoholic beverage industry should no longer be allowed to deduct the cost of advertising from its taxable income. He called on colleges to reject industry-sponsored events.

Industry spokesmen disputed Mr. Kennedy's remarks and defended their practices.

"We are for responsible drinking, period," said Kirsten Fedewa, vice president of the Beer Institute, a trade association of brewers.

The Harvard study was conducted by assembling a data base of 25,627 students at 140 four-year colleges in 40 states and the District of Columbia. The schools

and the students were selected to be representative of all colleges, and students were asked to complete a 20-page questionnaire. About 69 percent complied.

Researchers defined "binge" drinking as the consumption of five or more drinks in a row for men and four or more drinks for women. Mr. Wechsler said the lower figure was adopted for women because other studies indicate that women experience the same effects of alcohol at lower levels than men.

Overall, the study found that about 16 percent of all students reported having had no alcoholic drinks in the previous year. Forty percent said they drank but did not binge. The remaining 44 percent said they had had enough drinks to meet the "binge" definition, and half of those said they were frequent binge drinkers.

Dow Jones	Trib Index
Down 10.43 3795.52	Down 0.15% 111.87

The Dollar	Wed. close	previous close
New York	1.5678	1.5724
DM	1.566	1.5625
Pound	98.95	100.10
Yen	5.384	5.3995
FF		

Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 60 L. Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Cameroon.....1.40 CFA	Qatar.....8.00 Riels
Egypt.....E.P. 5000	Réunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....9.00 R.
Gabon.....940 CFA	Senegal.....200 PTAS
Greece.....2.00 Lfr	Spain.....1.000 Ptas
Italy.....1.120 CFA	Tunisia.....1.000 Din
Jordan.....1 JD	Turkey.....T.L. 35,000
Lebanon.....US\$ 1.50	U.A.E.....8.50 Dirh
	U.S. Mil. (Eur.) \$1.10

Italian Senators Signal Retreat on Corruption Inquiry

By Alan Cowell
New York Times Service

ROME — As investigators said that Italy's corruption inquiries would not ease after the resignation of a top magistrate, signs began to emerge Wednesday that the nation's erstwhile political practices were reviving.

One day after the resignation of Antonio Di Pietro, the Milan magistrate who became a national hero for his crusade against corruption, a small but influential parliamentary panel recommended that an inquiry against a former Christian Democrat Prime Minister, Ciriaco De Mita, be dropped.

The 23-member Senate committee on parliamentary immunity was acting under laws stipulating that cases involving ministers and former ministers must be reviewed at a high level before magistrates are allowed to proceed against them.

Magistrates in Naples had sought a ruling on whether they could pursue investigations into purported fraud, extortion and misuse of public funds after a major earthquake in 1980 in the

Irpinia region near Naples, Mr. De Mita's political base. The case involved bribes said to have been paid on contracts for a factory.

While the panel ruled in favor of blocking the inquiries into Mr. De Mita, it recommended that a similar investigation proceed against his brother Michele and 17 other people.

Committee officials were not available Wednesday night to explain the reasons for the recommendation, which must now be approved by the full Senate. It came as many commentators said that Mr. Di Pietro's departure Tuesday showed that Italy's professed revolution had died and that its moves away from a corrupt past had been brought to a halt.

"The sheriff has been disarmed," said the broadcaster and author Enzo Biagi. "The cattle-rustlers rejoice. And in the saloon the party can start all over again."

"In the great duel, politics has won," commented Ezio Mauro in the newspaper La Stampa. "Antonio Di Pietro has sacrificed himself on Italy's great, true altar: the impossibility of change."

Mr. Di Pietro resigned after almost three years as the most prominent figure in the country's *mani pulite* (clean hands) inquiries. He said that political maneuvering had made his work impossible and that he wished to "depersonalize" inquiries that have been depicted as open war between himself and Prime Minister Silvio Berlusconi.

Mr. Berlusconi himself is under investigation by the Milan magistrates, who say they want to find out whether he knew of bribes purportedly paid by his huge Fininvest empire to the tax police.

While such inquiries will most likely continue, many commentators said it was difficult to see how they would maintain the same sense of drama as in the past.

"We are here, as they say, at battle stations, today as yesterday, with a renewed sense of duty and enthusiasm," said Francesco Saverio Borrelli, the head of the Milan anti-corruption magistrates, who accepted Mr. Di Pietro's resignation. "We will do everything possible to keep up the rhythm of the investigation," he said.

But some Italians suggested that the inquiries would inevitably proceed more slowly, as Mr. Mauro wrote in La Stampa, "without him as the motor and brain, without the almost physical energy with which he dragged the inquiries along."

Since the inquiries began in February 1992, thousands of politicians and businessmen have been questioned and more than 700 have been sent for trial in connection with bribes paid in return for government contracts.

Thousands Rally to Ask Judge's Return

Some rallied outside La Scala on opening night; others joined candlelight vigils or signed petitions. In all, thousands of Italians turned out Wednesday from north to south to try to urge Mr. Di Pietro to come back and lead the nation's inquiries of political corruption. The Associated Press reported from Rome.

Many of the rallies were organized by leftist parties, including the former Communists, whose ranks were relatively unscathed by the inquiries.

Down From Dusty Attic, Fresh Van Gogh Flowers

The Associated Press

AMSTERDAM — A French flea market purchase has been identified as a previously unknown flower still life by Vincent Van Gogh, the Van Gogh Museum announced Wednesday.

"It's never been seen by the public, never touched by professionals," said Rianne Norhart, a museum spokeswoman.

The oil shows a brilliantly colored autumn bouquet with asters and other flowers in a blue vase against a red-brown background.

The 58-by-43.5 centimeter (23.2-by-17.4 inch) painting will be on exhibit at the museum through Dec. 31, and then returned to the owner, whose name has been withheld from the museum.

The owner bought the painting at a flea market in France after World War II but did not recognize the signature "Vincent" in red in the lower right corner, according to Miss Norhart.

It had gathered dust in an attic for decades before the owner brought it to a Van Gogh specialist, Walter Feilchenfeldt, in Zurich last year.

Christopher Gets Pledge By Arafat On Attacks

By Elaine Sciolino
New York Times Service

GAZA — Yasser Arafat said the words he was supposed to say on Wednesday. In conciliatory language praised by Secretary of State Warren M. Christopher, the chairman of the Palestine Liberation Organization pledged to do whatever he could to end the two-month siege of terror against Israeli troops and civilians.

If that happens, the American thinking goes, Israel might be less reluctant to withdraw its occupation troops from Palestinian towns and villages in the West Bank as required under the agreement signed with the Palestinians on the White House lawn 14 months ago.

Such a withdrawal would pave the way for elections that would legitimize Palestinian rule in the territories that they will be allowed to control.

In a joint news conference with Mr. Christopher after their hourlong meeting, Mr. Arafat made clear to those Palestinian extremists who carry out terrorist acts that only the political organization that governs in his name is in charge.

"We are proud of our democracy," Mr. Arafat said. "But everybody has to understand that there is one authority. It is the Palestine National Authority in the Palestinian territories and everybody has to respect the law."

Mr. Arafat essentially acknowledged he understood that unless Israel felt secure, the troops would not withdraw and the elections would not take place.

"We are looking to have very quickly the elections," Mr. Arafat said. "But at the same time,



Yasser Arafat and Secretary of State Christopher after their talks in Gaza.

we are putting into consideration the needs of security for the Israelis and we are ready to discuss it in detail with them."

A total of 94 Israelis have been killed by militant Palestinians since the agreement was signed in September 1993.

The atmosphere at Wednesday's meeting between Mr. Christopher and Mr. Arafat was dramatically better than when they met at the seat of Palestinian rule in Gaza last July. During that meeting, Mr. Arafat angered the Israelis

when he asserted that they had usurped his role by inviting King Hussein of Jordan to Jerusalem and he frustrated his American visitors by failing to get his financial house in order.

On Wednesday, by contrast, Mr. Christopher praised Mr. Arafat for his fiscal reforms in recent months, which have convinced donor states to send committed funds and pledge even more.

The question that Palestinian leaders pose is this: If the forces of the Israeli Army cannot stop

terrorism in the occupied territories, how can they? But the Declaration of Principles signed by the Israelis and Palestinians requires Mr. Arafat to curb Palestinian violence.

"No one who is familiar with Israel's history can reasonably expect Israel to move toward the objective without insuring that their security remains a constant companion" of the peace efforts, Mr. Christopher said following a meeting Wednesday morning with Prime Minister Yitzhak Rabin of Israel.

Wait, Gorbachev Says, Until I'm in 'Yeltsin's Shoes'

Reuters

DUBAI, United Arab Emirates — Mikhail S. Gorbachev, the former Soviet president, made it clear Wednesday that he wants to replace Boris N. Yeltsin as the Russian presi-

dent, possibly in 1996 elections. "I pay a lot of attention to that subject, and I cannot exclude that," Mr. Gorbachev said when asked at a news conference about running in 1996.

Asked how he would differ from Mr. Yeltsin, he said: "You will learn that when I will be in his shoes."

Mr. Gorbachev, in the United Arab Emirates for a conference on information technology, resigned as president of the

Soviet Union as it broke up in 1991.

Once allied with Mr. Yeltsin, Mr. Gorbachev has subsequently been sharply critical of his policies, which he said Wednesday were not "a continuation of my reforms."

He said that new democratic reforms would underlie his program and that he still adhered to principles he had promoted as leader, including freedom of choice and a mixed economy.

If Mr. Gorbachev did run, it is not at all clear he would win. He remains deeply unpopular in Russia, not least among those who remember his draconian anti-alcohol laws, which have been scrapped.

Some Russians yearn for a return to communism, but Mr. Gorbachev said through an interpreter: "I don't believe they are the people to whom the future of Russia belongs."

Chechens Brace for War After Russia Turns Tough

Compiled by Our Staff From Dispatches

GROZNY, Russia — The defiant people of separatist Chechnya prepared for war on Wednesday, after Russia abruptly ordered them to abandon their three-year claim to independence and obey federal law or face the consequences.

Chechen television broadcast instructions to the tiny mountain region on how to survive a Russian invasion by equipping cellars as air raid shelters. "My

advice is to take enough food and water to last three days," an officer said.

Tension reached a new peak by evening, when Russia's counterintelligence service accused the leader of the region of endangering Russia's vital interests and blamed him for thousands of deaths.

The situation in Chechnya has become extremely dangerous for Russia's vital interests and its national security," said a

statement by the service, published by RIA news agency.

The statement accused President Dzhokhar Dudayev of using Afghan mujahideen and Turkish Gray Wolf guerrillas "to stay in power at any price" and of turning Chechnya into a "training ground" for international terrorism.

Dudayev's bloody trail goes outside Chechnya, "it said. "On his conscience there are crimes in Abkhazia, Karabakh and

other 'hot spots.' Hundreds and thousands have been killed."

The statement followed an angry demand by President Boris N. Yeltsin's Security Council that Chechnya bow down before Russian law.

Russia has been building up troops on the borders with Chechnya since a failed attempt by the anti-Dudayev local opposition, backed by Moscow, to seize Grozny late last month.

The Security Council issued

the harsh new demands in an abrupt volte-face, after the high tension of recent days appeared to have dissipated in positive talks on Tuesday between the Russian defense minister, Pavel S. Grachev, and General Dudayev.

The council statement denied there was any conflict between Chechnya and Moscow and said the problem was a struggle for power inside Chechnya.

(Reuters, AP)

WORLD BRIEFS

West Appeals for Leniency for Kurds

ANKARA (Reuters) — With only a day to go before a Turkish court rules in the cases of eight Kurdish legislators facing the death penalty for treason, pressures mounted on Ankara on Wednesday to be lenient or risk damaging ties with the West.

President Francois Mitterrand of France launched a last-minute appeal to European Union partners on Wednesday to urge Turkey to avoid death sentences for the Kurds, who have been stripped of their parliamentary immunity, the Anatolian news agency said.

In Washington, a State Department spokeswoman, Christine Shelly, said the Kurds were on trial for "expressing their own thoughts." She added: "We have repeatedly expressed to the Turkish government our deep concern over the trials and their implication for democracy and freedom of expression in Turkey."

'Weak' Case Against Collor Opens

BRASILIA (Reuters) — Former President Fernando Collor de Mello of Brazil went on trial Wednesday for corruption amid reports that the case against him was weak.

Mr. Collor, 45, faces one count of passive corruption stemming from an alleged multimillion-dollar influence-peddling scheme. He could be sentenced to eight years in prison if found guilty.

Media reports speculated that prosecutors lacked enough proof to convict Mr. Collor despite two years of investigation and more than 60,000 pages of evidence. "The indictment is very weak and the final charges do not support the hypotheses presented at the start of the document," an unnamed Supreme Court justice told the Gazeta Mercantil newspaper.

Mexico President Pleads for Peace

MEXICO CITY (AP) — Facing a guerrilla "nightmare," President Ernesto Zedillo pleaded with Indian rebels in southern Mexico on Wednesday to reconsider their rejection of new peace talks with the government.

Confronting the first crisis of his new presidency, Mr. Zedillo said he would not budge from his stand that negotiations are the only solution to the armed Mayan uprising in southern Chiapas state, launched last Jan. 1.

"Mexicans are worried about violence; we worry about poverty and injustice that are the root of the problems," Mr. Zedillo said in a breakfast speech at the Mexican Senate. "But we have to recognize that to have justice and peace, the only path is negotiation."

Clan Fighting Resumes in Somalia

MOGADISHU, Somalia (Reuters) — Indian warships steamed into Kismayu Wednesday to cover the withdrawal of the last 850 Indian UN troops, but fighting between rival Somali clans erupted even before the soldiers could leave.

Somali staff of the aid agency Doctors Without Borders said the clashes broke out in the center of the port city, widely seen by UN officials as a likely flashpoint for renewed civil war.

In Mogadishu, the capital, the order for the 15,000-member United Nations force to leave Somalia came too late for one Egyptian peacekeeper, killed by a stray bullet fired by feuding militias, a UN spokesman said. An Indian warrant officer was injured by a stray round at Mogadishu airport. Some 131 peacekeepers have died in the bloodiest UN mission of its kind.

300 Hurt During Bangladesh Strikes

DHAKA, Bangladesh (AP) — Clashes between political groups and the police left at least 310 people injured Wednesday during an anti-government strike that paralyzed major cities.

The dawn-to-dusk strike escalated the opposition's nine-month campaign to unseat Prime Minister Khazim Zia and force early elections.

Opposition parties resorted to strikes after international and local mediation efforts failed. The opposition accuses Begum Zia's government of vote fraud, corruption and inefficiency. The prime minister has rejected opposition demands that she resign by Dec. 27, and the opposition has rejected her offer to share power in an interim government until elections in 1996.

TRAVEL UPDATE

Liner Makes British Port After Alert

LONDON (Reuters) — The British passenger liner Canberra docked safely at Southampton on Wednesday after a major alert overnight when its engines failed in fierce weather and rough seas, the coast guard said.

Helicopter rescue crews in England and Belgium and lifeboat teams prepared for a large-scale rescue before the liner, with more than 2,400 people aboard, limped into port Wednesday morning. The captain had radioed for assistance when both engines failed. Coast guard spokesmen said the crew managed to restart the engines after repairing a fuel problem.

The 49,073-ton ship had drifted for more than an hour in severe gales before it managed to drop two anchors and hold a position about three miles from the Isle of Wight. While there was no immediate danger to those aboard, rescuers feared a disaster if the Canberra had foundered.

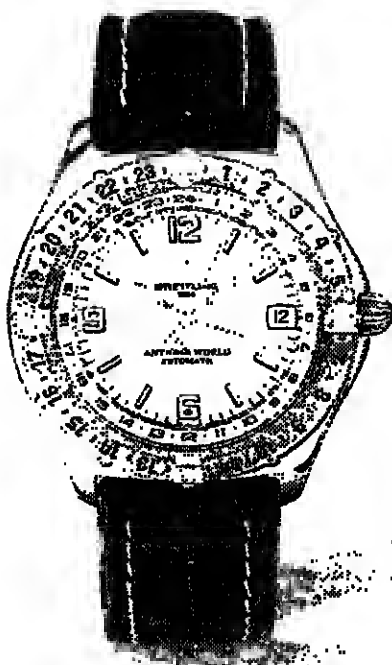
Hungarian rail workers will strike for two hours Thursday, at 5 A.M., to demand higher raises than offered by the government and to protest threats of layoffs, union leaders said Wednesday.

Shanghai on Wednesday opened an elevated circular highway that is intended to ease traffic congestion in China's largest city. Thousands of people lined the 48-kilometer (30-mile) route to watch a motorcade of taxis and buses decorated with ribbons and silk bows perform a lap of honor.

Outraged by press photographs of naked bathers, a Brazilian judge has ordered the army to arrest anyone found unclothed at Abriço Beach, a newly inaugurated nudist beach near Rio de Janeiro, Brazilian newspapers reported Wednesday.

(Reuters)

BREITLING
1884



ANTARES WORLD

Although not equipped with a chronograph, Breitling's NIGHTLIGHT models embody a full measure of the quality for which its "Instruments for Professionals" have been reputed for over a century. The ANTARES WORLD's elaborate movement shows the time of day simultaneously in three distinct timezones: local time with its hour and minute hands, and the time in two other timezones by the watch's 24-hour graduations and plane-tipped special hand. Simple to operate, the ANTARES WORLD provides exceptional legibility under all light conditions.

BREITLING SA
P.O. Box 1132
SWITZERLAND - 2540 GRENCHEN
Tel.: 41 65 / 51 11 31
Fax: 41 65 / 53 10 09

INSTRUMENTS FOR PROFESSIONALS

Your Studio or Apartment in Paris
For 1 day, 1 week or more
4**** quality of 3*** prices
CITADINES HAUSMANN
129-131 Bd. Haussmann
75008 PARIS
Tel.: (1) 53 77 07 07 Fax: (1) 45 63 46 46
Ask about our special reduction for Herald Tribune readers

ONLY - LONDON
from FF 790 RT*
4 flights daily
1st flight from Only 7:15 am



Scheduled Airline
See your Travel Agent
or call (Paris): 44 56 18 08
*plus tax

To call from country to country, or to the U.S., dial the WorldPhone® number of the country you're calling from.

Antigua (Available from public card phones only) #2 001-800-333-1111	Denmark/CC+ 0800-0022	Iceland 1-800-751-6224	Norway/CC+ 800-19912	Spain/CC+ 800-99-0014
Argentina/CC+ 001-800-333-1111	Dominican Republic 170	Iran/CC+ 1-800-751-6224	Peru/CC+ 800-19912	Sweden/CC+ 020-795-922
Australia/CC+ 001-800-333-1111	Ecuador/CC+ 1-800-624-1000	Israel/CC+ 177-150-2727	Poland/CC+ 177-150-2727	Switzerland/CC+ 155-0222
Bahamas 000-002	Egypt/CC+ 355-5770	Italy/CC+ 177-150-2727	Portugal/CC+ 05-017-1234	Syria/CC+ 0500
Bangladesh/CC+ 0800-1012	Finland/CC+ 980-102-80	Jamaica 172-1222	Puerto Rico/CC+ 008-11-800	Turkey 008-11-800
Bermuda/CC+ 1-800-624-0494	France/CC+ 001-800-1211	Kazakhstan 800-674-7000	Romania/CC+ 01-800-1200	Ukraine 01-800-1200
Bolivia/CC+ 000-2222	Germany/CC+ 001-800-1211	Kuwait 001-800-674-7000	Russia/CC+ 800-800-8000	United Kingdom/CC+ 000-1111
Brazil 000-8012	Greece/CC+ 1-800-624-1000	Laos/CC+ 001-800-674-7000	Saudi Arabia 1-800-11	United States/CC+ 0800-99-0222
Canada/CC+ 1-800-624-1000	Hong Kong/CC+ 001-800-674-7000	Lebanon/CC+ 001-800-674-7000	Slovak Republic/CC+ 004-000112	Vietnam/CC+ 000-1111
Cayman Islands 001-800-624-1000	Hungary/CC+ 004-000112	Liechtenstein/CC+ 001-800-674-7000	South Africa/CC+ 0800-99-0011	
Chile/CC+ 001-800-624-1000		Luxembourg 001-800-674-7000		
Colombia/CC+ 001-800-624-1000		Macao/CC+ 001-800-674-7000		
Costa Rica 001-800-624-1000		Mexico/CC+ 001-800-674-7000		
Czech Republic/CC+ 004-000112		Netherlands/CC+ 001-800-674-7000		
		Netherlands Antilles/CC+ 001-800-674-7000		

Use your MCI Card, a local telephone card or call collect...all at the same low rates.
(CC) Country-to-country calling available. May not be available to all international locations. Certain restrictions apply. * Limited availability. ** Wait for second dial tone. A. Available from LADATEL public phones only. Rate depends on call origin in Mexico. † International communications carrier. ‡ Not available from public pay phones. § Public phones may require deposit of coin or phone card for dial tone.



Let It Take You Around The World

THE AMERICAS / HOUSECLEANING

Republicans Act Fast to Starve Special-Interest Groups

By Katharine Q. Seelye

New York Times Service

WASHINGTON — The Republicans have begun making good on their pledge to sweep Congress clean, whisking away financing for a cherished if little-known institution in the House — the caucuses — and suggesting they might even be able to sell off a government building in the process.

"The conference has begun a process of voting to shrink the size of Congress, to shrink the size of the legislative staff," said Representative Newt Gingrich, whom Republicans have selected to be speaker of the House.

There are 140 caucuses — special-interest groups formed by members to lobby each other — but 28 of them, known as Legislative Service Organizations, get taxpayer money and occupy

Capitol Hill offices. These 28 include the Congressional Black Caucus, the Congressional Caucus for Women's Issues and the Democratic Study Group, which have dozens of members and frequently influence legislation.

The Republicans agreed by voice vote to bar financing for these organizations in a move that drew criticism from Democrats as a political maneuver by Mr. Gingrich to consolidate power and eliminate potential voices of opposition.

It was the most eye-catching of the actions the Republicans took Tuesday as they set about reorganizing the two chambers and their various functions. At the other end of the Capitol, Senate Republicans promoted their own Gingrich-style budget cuts, including a proposal to abolish the 143-employee Congressional Office of Technology Assessment and to cut the General Account-

ing Office, which has nearly 5,000 workers, by a quarter to a half.

House Republicans said that cutting the caucuses alone would abolish 96 staff jobs and free 16 House offices for other uses. But they balked at an even more sweeping change that would have reduced lawmakers' personal staffs to 16 permanent positions from 18; the reduction would have wiped out at least 870 jobs.

The whole point of the last election, Mr. Gingrich said, was "less government, less spending in Washington." To that end, the Republicans also adopted a resolution urging that Congress sell "at least one" of its office buildings.

Critics argue that the House's 28 Legislative Service Organizations (the Senate has no comparable organizations) are tools of outside lobbyists, use public money with no accountability

and, at a time when Congress should be focusing on the big picture, foster petty divisions.

Mr. Gingrich said the lack of audits and accountability meant that some groups were "scandals waiting to explode."

Some on Capitol Hill say the Republicans' real motive is political: to weaken groups like the black and women's caucuses. The caucuses provide platforms to members outside committees and frequently offer dissenting views.

Mr. Gingrich rejected any notion that doing away with caucuses would have a disproportionate effect on minorities and other groups that lack broad House representation.

He emphasized that groups like the black caucus remain free to meet on Capitol Hill. Republican groups would now have to operate under those same constraints, he said.

Clinton Crisis: Pounded by Republicans, Spurned by Democrats

By Todd S. Purdum

New York Times Service

WASHINGTON — President Bill Clinton approaches the midpoint of his term from a new low point, with no easy choices and perhaps few good ones as he struggles to reposition himself on political ground that perpetually reopens beneath him. He is under attack not only from resurgent Republicans but also many disaffected Democrats, and at some pains simply to preserve his authority.

A poll conducted over the weekend by the Times Mirror

NEWS ANALYSIS

Center for the People and the Press not only found Mr. Clinton trailing a generic Republican opponent for 1996 but also, more ominously, showed that fully two-thirds of Democrats surveyed wanted to see other candidates challenge him for the Democratic nomination.

Those strains showed on Tuesday night in a feisty, reflective address to the Democratic Leadership Council, the centrist group Mr. Clinton helped found and rode to victory, but whose leaders now suggest that the president may be a big part of the Democrats' electoral



Hillary Rodham Clinton whispering to her husband before he addressed a Democratic Leadership Council conference.

problem, not the solution. "I ask you now once again to think about what your responsibility is," Mr. Clinton told the group, just hours after his chairman and his old friend, Representative Dave McCurdy of Oklahoma, criticized the president as a "transitional figure" crippled by the tension between his New Democrat's mind and his old Democrat's heart.

"What is your responsibility?" Mr. Clinton demanded. "It's to join me in the arena, not in the peanut gallery — in the

arena, and fight, and roll up your sleeves, and be willing to make a mistake now and then, be willing to put your shoulder to the wheel, be willing to engage, be willing to struggle, be willing to debate and enjoy this."

But enjoying "this" seems about the last thing the Clinton White House is doing these days, and there is no clear agreement on what "this" is, apart from the president's oft-expressed insistence that he and the Democrats are and should

be the champions of hard-working, middle-class Americans. The political team that will help him decide what to do remains unformed, led by the vacancy in the chairmanship of the Democratic Party, and the economic team that will nail down specif-

ics just changed with the resignation of the administration's most grizzled Capitol Hill hand, Treasury Secretary Lloyd Bentsen.

On Monday, the Progressive Policy Institute, the policy arm of the Democratic Leadership Council, issued its own 10-point alternative to the Republicans' "Contract With America," including government loans for worker retraining, cuts in tax subsidies for favored industries (with the savings used to reduce the deficit and promote growth) and a campaign against teenage pregnancy.

While Mr. Clinton has spoken receptively about many of those ideas, he has neither embraced nor rejected them specifically. The president's aides said that even a major address on his philosophy planned for next week would be unlikely to get into such detail, instead remaining a general statement of his principles, unlikely to win live network coverage.

White House officials said the bulk of Mr. Clinton's proposals on taxes and other issues would be embodied in his State of the Union and budget messages in January, but there, too, time is short. The State of the Union, delivered at the suffrage of Congress, is tentatively scheduled for the last week of January, but senior administration officials acknowledged Wednesday that there had been some discussion of whether it made sense to give the congressional Republican leadership so much time to make its own case.

How a Texas Legend, Jack Brooks, Lost Out After 42 Years

By Sue Anne Pressley

Washington Post Service

NEDERLAND, Texas — Here in the 9th Congressional District, oil refineries rule the Gulf Coast landscape and fishermen complain loudly about the day's catch. New bumper stickers urging "Impeach Clinton" decorate pickup trucks, and the slogan on the front door of the Hardware Man gun shop carries the righteous force of a commandment: "Fear the Politician That Feels Your Gun."

For 42 years, this has been Jack Brooks territory as he rose from a struggling freshman congressman, so poor he had to borrow money for a new suit to wear to Washington, to one of the most powerful politicians in the country. It is proof of the cigar-loving Democrat's near-legendary status that, even a month after the election that toppled him, no one here, friend or foe, can quite believe that when the 104th Congress convenes Jan. 4, Jack Brooks will not be present.

Mr. Brooks, 72, was beaten by a little-known 38-year-old accountant who operated his campaign from his home and who, according to many pundits, was victorious largely because he was not Jack Brooks.

If this is a story of one longtime politician's abrupt disappearance, however, it is also a larger tale of the feelings among voters that propelled the recent Republican revolution. Taxes are too high; government is too big; reigning politicians too snug and out of touch. General distrust of federal lawmakers seems to have degenerated into outright disgust. No one knows how to solve the economic problems, residents here say, and no one understands how to fight crime.

In the Brooks case, voters apparently were willing to trade his considerable clout and their gratitude for all the jobs and federal goodies he

one highly emotional issue: their freedom to buy and bear guns. When Mr. Brooks voted last spring for the crime bill, and the accompanying ban of 19 firearms, constituents who had felt generally betrayed by their politicians found a target.

"People say, 'Well, he's been our friend for over 40 years.' Well, for over 40 years, we supported him," said John Kellams, owner of the Hardware Man who, until Nov. 8, had regularly voted for Mr. Brooks. "But when your friend starts doing bad things to you, you don't feel like you have to support him anymore."

Mr. Kellams, 36, a gun dealer and firearms instructor, with his wife, Deborah, helped lead the pro-gun forces against Mr. Brooks.

"It wasn't just the gun issue, but there was like some kind of strange astronomical conjunction that got him beat. I mean everything was lined up," he said. "You have one of the most abysmally unpopular presidents in recent memory, you have a resurgence of conservatism on the political scene. Plus, you have a political scene that is becoming more polarized — now, both sides have moved so far away from each other, you'd better jump on one side or the other."

In the 9th District, which includes the high-crime areas of Beaumont, outlying Houston suburbs and the coastal cities of Galveston and Port Arthur, there are more licensed gun dealers than in the state of New York. Boys and girls alike grow up here learning how to shoot, and fowl-hunting preserves and well-stocked gun cabinets are part of the local culture.

This is a corner of far southeast Texas that seems more closely aligned with nearby Louisiana, a place of swamp grass and lingering humidity, home of the Texas Rice Festival, the Texas Gator Fest and historic Spindletop, the oil gusher that erupted near Beaumont in 1901.

Although NASA's Johnson Space Center is located here, the area remains largely blue-collar, and recent decisions by President Bill Clinton — such as backing gays in the military and support of trade agreements viewed as threats to American jobs — have not played well in the homes and trailer parks along the bayous.

Mr. Brooks' office did not return calls, he has attributed his defeat to the rhetoric of Rush Limbaugh and other rightist talk show pundits.

"I think everybody got tired of Washington," said Harold Talley, 57, secretary-treasurer of the Oil, Chemical & Atomic Workers International Union-local in Port Neches, who continued to support Mr. Brooks. "I think everybody's tired of Washington trying to pass a health bill that doesn't include them, everybody's tired of all the perks everybody gets up there. Ninety percent of us are probably going to end up using our savings for medical bills and that's a sad, sad situation."

That Jack Brooks — an LBJ Democrat often described as "the last of a breed" — could be felled with 45.7 percent of the vote says much about the current impatience with officeholders. Mr. Brooks seemed to cultivate an image as an independent, blunt-spoken southerner and was reportedly proud of a Washington Post photograph that showed him snarling at cameras. An early supporter of civil rights, he refused to sign the segregationist 1956 Southern Manifesto and was one of only 11 Southern Democrats who initially supported the 1964 Civil Rights Act. In the 1980s, when the first of a series of conservative opponents began mounting increasingly serious challenges, it was support from his district's large core of minority and union voters that saved him.

In Washington, he was an early pro-impeachment critic of Richard Nixon and, later, as a

member of the Iran-contra investigation committee, he described both Elliott Abrams, a former State Department official, and John M. Poindexter, the former national security adviser, as "a lying son of a bitch."

As chairman of the influential House Judiciary Committee, he has also continued to look out for his district — perhaps to his detriment. A \$10 million boost that he tried to slip into the crime bill earlier this year for a law enforcement training center at his alma mater, Lamar State University in Beaumont, led to derisive cries here and in Washington that he had finally gone too far in his appetite for "pork."

While many constituents appreciated his old-fashioned attentiveness to his district, others had begun to speak of him as "Caesar" and to question the vanity of a still-living politician who would allow a bronze statue of himself to be put on the Lamar State campus. "He's an arrogant old fossil," Deborah Kellams said. "He forgot where he came from, who put him in office."

But his supporters wonder what can be expected from a successor like Steve Stockman, a \$25,000-a-year accountant who beat Mr. Brooks on his third try and received last-minute infusions of money from the Gunowners of America.

Now in Washington getting acquainted with his new environment, Mr. Stockman agreed that this time, the gun issue was Mr. Brooks' downfall.

"The problem," he said, "was that Brooks painted himself in a corner, quite frankly. He sent letters saying, 'I will do anything to stop the gun ban.' And he also said, 'You need to keep me in office because I'm powerful.' Well, you're either powerful enough to stop the gun ban or you're not. He set himself up as a giant and he couldn't deliver."

Away From Politics

- A man threatening to jump from the George Washington Bridge in New York was calmed by Howard Stern over the phone during a live national broadcast of Mr. Stern's radio show. The man, who walked onto the bridge and called Mr. Stern on a cellular phone, was taken to a hospital, said the police, who added that there was no evidence of a hoax. (AP)
- Two radical fugitives accused of buying plastic explosives in a plot to help a Puerto Rican separatist leader escape from federal prison surrendered to FBI agents in Chicago after spending nine years living under disguised identities. (LAT)
- Nearly one-third of postal workers fear they will face physical violence in their workplace, a finding that has alarmed postal officials and reinforced the image of the Postal Service as a dangerous place to work. (WFP)
- Smokers are being deceived by advertising into thinking that low-tar, low-nicotine brands are less dangerous, according to a federal panel. The health benefit "of switching to low-tar and nicotine cigarettes is minimal compared to quitting entirely," the panel's leader said. (AP)
- A university whose scientists cloned human embryos has decided to destroy all data from that research. Ethicists decried the experiment at George Washington University for raising the specter of mass-produced people. (AP)
- A school district near Pittsburgh has agreed not to teach the Bible's story of the Earth's creation in science classes to settle a lawsuit filed by two students, who alleged that a biology lesson last spring violated the legally required separation of church and state. (AP)
- Hundreds of people have offered to adopt an Old English sheepdog that nearly died after drug smugglers surgically implanted cocaine-filled condoms in its abdomen. (NYT)

ORANGE: County's Financial Woes Send Tremors Through Wall Street

Continued from Page 1

manias like the low-interest borrowing bonanza of the early 1990s reverse themselves, just as they did after the Federal Reserve started raising rates on Feb. 4.

The immediate result, said Sam Kahan of Fuji Securities, will be more cautious investors in money markets, although he expected that to unwind when they discover that Orange County is not another Mexico.

In a long scheduled appearance before Congress, the Federal Reserve chairman, Alan Greenspan, testified Wednesday that the U.S. economy was sound, that he was worried about inflation, and that he was also closely watching the derivatives market. (Page 15)

That market proved the undoing of Orange County's financially aggressive treasurer, Robert L. Citron, who resigned when his overleveraged investments soured in a mistaken bet that rates would fall.

But Mr. Greenspan did not offer Mr. Citron or the more than 180 municipalities that invested in his fund a federal safety net as Paul Volcker, his predecessor, did for Mexico and lenders to stabilize the world financial system. He did not seem to think it necessary, said Astrid Adolfsen of MCM Moneywatch. She explained: "Some of the big boys got stuck in this,

and they are going to have to get unstuck by themselves. This time we haven't caught big banks and whole countries, but small towns and cities, and it will take time for the others to surface. Nobody knows how many there are, but Greenspan has just told them they're on their own."

Among the largest firms caught by Mr. Citron's investments was Merrill Lynch & Co., whose bond salespeople seem to have encouraged Mr. Citron by selling him derivative securities issued by quasi-government agencies such as the Federal National Mortgage Association.

These bonds, known as "inverse floaters," pay more interest when rates fall and less when they rise. That enables them to serve as a bet on the gains or losses of the underlying price of the security.

Had Mr. Citron simply bought these floaters and sat on them, Orange County probably could have ridden out the storm. But as his municipal clients belatedly discovered, the fund borrowed money from the big securities houses to buy more, so the total investment of \$7 billion had a paper value of \$21 billion — until the Fed raised rates early in the year.

At that point, the yield from the floaters fell and was not enough to pay the interest on the money that had been borrowed to buy them. The county found itself, in Wall Street terms, under water.

Peter Swan, treasurer of the Irvine Ranch Water District and one of the fund's largest investors, said he expected banks would probably organize a rescue package with state and possibly federal guarantees.

But the securities are unlikely to regain their par values, and the losses will eventually have to be made up by higher taxes, delayed project spending, and bitter arguments in bankruptcy court over sharing the losses between the county and the Wall Street professionals who sold the bonds in the first place.

Meanwhile, Terry Slattery, an investment analyst for the Orange County Employees Retirement System, accused Mr. Citron of violating instructions from the county's pension fund and placing \$65 million of retirement funds in the county's pool. Bloomberg Business News reported. Mr. Slattery said the money came from bonds the county sold in September.

He said it was given to Mr. Citron to be invested in a segregated account but was instead mingled with other funds in the county's investment pool, which was frozen when the county and the pool filed for bankruptcy protection late Tuesday. Mr. Slattery said Mr. Citron had assured him orally that the money would be kept apart from the pool.

★ POLITICAL NOTES ★

Hubbell's Honest Image Takes a Tumble

WASHINGTON — It was nothing but a billing dispute among law partners. Webster L. Hubbell told his colleagues at the Justice Department just nine months ago. Nothing out of the ordinary. Nothing that couldn't be resolved.

And they believed him, because Mr. Hubbell, former chief justice of the Arkansas State Supreme Court, former ethics officer of his law firm, author of the state's ethics law, had a reputation for integrity much of Washington could envy.

So this week, Mr. Hubbell's former co-workers at the Justice Department could only marvel about how well they had been fooled.

"Oh my God, this seems totally out of character," said one top official, upon learning of Mr. Hubbell's guilty plea Tuesday in Little Rock, Arkansas, to two felony counts of mail fraud and tax evasion. Mr. Hubbell, former associate attorney general, admitted that he bilked his clients, including the federal government, of more than \$390,000, before he arrived in Washington last year. (WFP)

Ex-White House Travel Chief Is Indicted

WASHINGTON — Billy R. Dale, former chief of the White House travel office, was indicted Wednesday on charges he embezzled more than \$68,000 paid by news organizations for reporters to travel with the president.

An indictment charging him with two counts of embezzlement and conversion was returned in U.S. District Court here. Mr. Dale's attorney, Steven Tabackman, was out of town but had said Monday that Mr. Dale denied the charges and would vigorously defend himself at trial.

The government said the money included payments by news organizations for reporters' expenses and refund checks from telephone companies and other businesses that had been overpaid for providing services to traveling reporters. Mr. Dale headed the travel office from 1982 until his dismissal in May 1993 along with six other employees of the office.

An audit in May 1993 had found that the office kept sloppy records. White House lawyers called in FBI officials at the time of the firing to announce an investigation. (AP)

Japan Gets an Ally Against U.S. Stamp

WASHINGTON — On the 53rd anniversary of the Pearl Harbor attack, the White House sided with Japan against a proposed U.S. stamp that commemorates the end of World War II with a picture of a mushroom-shaped cloud.

"We agree that the atomic bomb helped speed the end of the war," Dee Dee Myers, the press secretary, said Wednesday. "But again, there could be more appropriate ways to depict that event."

The White House chief of staff, Leon E. Panetta, told Postmaster General Marvin Runyon about the White House's concerns, she said.

The Japanese Embassy, noting that tens of thousands of Japanese civilians were killed in the bombings of Hiroshima and Nagasaki, formally protested the stamp Friday. The State Department expressed its concerns Tuesday. (AP)

Quote/Unquote

Elizabeth Hadlund of the Center for Responsive Politics, a nonpartisan watchdog group, on the Federal Election Commission's decision to dismiss, due to constraints on its investigative ability, complaints against 36 wealthy Americans who exceeded the \$25,000 annual limit on federal campaign contributions: "Our fear is the dropping of cases sends a signal to wealthy political donors that the laws are not always going to be enforced and they can easily take their chances and exceed the limits without worrying about any penalty." (LAT)

Vaccine for Lyme Disease Developed by U.S. Team

Reuters

LONDON — American scientists reported Thursday that they had altered a tuberculosis vaccine so that it would work against Lyme disease, a tick-borne infection.

Lyme disease, which was first diagnosed in 1975, is the most common insect-borne infection in the United States and has also been reported in Europe, Japan, China, Russia and Australia.

Doctors at MedImmune Inc. and the University of Texas said they had altered a vaccine known as bacillus Calmette-Guérin, which is used against tuberculosis. Sprayed into the noses of mice, it worked effectively against Lyme disease, they reported in the science journal Nature. A MedImmune spokesman said the next step would involve testing the vaccine on primates, with an eventual goal of human testing.

Lyme disease causes flu-like symptoms and joint inflammation that, if not treated, can persist for years. About 10,000 new cases are reported in the United States each year.

MedImmune, based in Maryland, develops, manufactures and markets medications and vaccines for treatment and prevention of certain infectious diseases and cancers. It and several other companies have been working on finding a vaccine against Lyme disease.

Quebec Chief Unveils Independence Measure

Critics Attack Move as Premature

By Charles Trueheart

Washington Post Service

TORONTO — Quebec's new separatist government has unveiled its first formal plans to steer the province to independence by 1996. Rattled defenders of the Canadian federation promptly called the process "illegitimate" and "undemocratic."

Premier Jacques Parizeau on Tuesday introduced legislation in the provincial Parliament that lays out for the first time the terms of Quebec's sovereignty that voters will be asked to approve in a referendum next year. In the meantime, Mr. Parizeau said, Quebecers will be invited to participate in "an enormous democratic exercise...to build our country: Quebec."

The timing of the extensive public consultation process, during February and March, indicated that the referendum could come by June.

Mr. Parizeau promised to put the mostly French-speaking province on the "autonomous to sovereignty" in the election campaign last summer that brought the separatist Parti Québécois to power for the first time since 1985. Quebec's fabled romance with independence has been an obstacle to national

unity and a source of bitter re-examination between English and French Canada for most of the last quarter-century.

Current polls indicate that the referendum would lose, as the last and only other such Quebec referendum did in 1980. But Canadianists got a dose of the unexpected last week when Mr. Parizeau's charismatic ally, Lucien Bouchard, nearly died from a flesh-eating disease that cost him his leg. His ordeal, according to much of the ensuing analysis, had added heroic luster to the separatist cause. Mr. Bouchard's doctors said his recovery was continuing, and he was expected to be on the referendum campaign trail by spring.

Quebec's opposition leader, the former Premier Daniel Johnson, a Liberal, was among many detractors who called the Parti Québécois document undemocratic because some of its language presumes that a majority of Quebecers favor sovereign status for the province. Mr. Parizeau's thin victory over Mr. Johnson in the Sept. 12 election, with only 44.7 percent of the popular vote, reflected continued misgivings among many Quebecers about the consequences of separating from Canada.

Russia's Bosnia Line Called Fault of U.S.

Bid to Push NATO Eastward Was Ill-Timed, EU Chief Says

The Associated Press

BRUSSELS — The European Union's chief executive Wednesday said Russia's hard-line stance on the Bosnian war, which caused a pan-European security meeting to end in deadlock a day earlier.

The Clinton administration's bid — driven by congressional critics of NATO — to start the process of the alliance's eastward expansion has alienated President Boris N. Yeltsin of Russia, said Jacques Delors.

"I believe it was a premature initiative," said Mr. Delors, the outgoing president of the European Union's commission and a possible candidate for the French presidency.

Mr. Delors said he would have counseled the United States against proposing an enlargement of the North Atlantic Treaty Organization now, a move that he said "complicates the forging of the necessary relations between the United States, European Union and Russia."

The NATO foreign ministers agreed Dec. 1 on a one-year study of the terms for NATO membership for East Europe-

ans. That day, Foreign Minister Andrei V. Kozyrev of Russia, attending a previously scheduled meeting with the foreign ministers, declined to endorse a broad NATO-Russia military cooperation program.

He accused NATO of dividing Europe anew by absorbing Moscow's former allies, a theme that also spoiled the Budapest summit meeting of the 52-nation Conference on Security and Cooperation in Europe.

At a meeting starting Friday in Essen, Germany, the EU leaders are to endorse a strategy for some East European countries to bring themselves up to speed to join the Union some day.

That go-slow approach to economic integration "is more consistent with the concerns of those countries than the enlargement of the Atlantic alliance," Mr. Delors said at a news conference.

Mr. Delors will step down as the EU chief in January after nine years and may run for the French presidency next year. He said he had made a decision but would keep it to himself for now.



The EU Commission president, Jacques Delors, taking press questions Wednesday at Union headquarters in Brussels.

Perry Denies U.S. Lost Credit Over Bosnia

Reuters

WASHINGTON — The United States has not lost credibility in refusing to send troops into Bosnia after demonstrating its willingness to fight Iraq in the Gulf, Defense Secretary William J. Perry said Wednesday.

He also denied that the North Atlantic Treaty Organization had suffered fatal political wounds in Bosnia's civil war and said the alliance would remain as a bulwark of European and world security.

Mr. Perry, after a speech on Gulf policy to the Middle East Policy Council, a private organization, said that Bosnia, unlike the Gulf region, was not an area of vital national security

interest for Washington and therefore did not warrant the use of U.S. troops taking sides in the civil war there.

"No, I don't think the situation is at all comparable," Mr. Perry replied when asked after his speech on Gulf policy whether U.S. decisions on Bosnia had eroded Washington's credibility.

The Clinton administration has been criticized by some allies for refusing to send peacekeeping troops to Bosnia. "We have not, first of all, defined Bosnia as a vital national security interest of the United States," Mr. Perry said.

Our involvement there is in a peacekeeping operation, not in a combat operation. The situations are entirely different."

Later, he was asked in an interview with news agency reporters if allied criticism over U.S. refusal to send ground troops to Bosnia coupled with Europe's inability to end the war signaled the post-Cold War disintegration of NATO.

"I continue to believe that NATO is the most valuable security institution in the world today and therefore it is very important that we take efforts to maintain its strength, to maintain its cohesion," he said.

He predicted that the alliance would remain healthy. "Not only do we believe that is an important objective, but that has certainly been the same

view expressed by all of my NATO counterparts."

Mr. Perry told reporters that the removal of United Nations peacekeeping forces from Bosnia could pave the way for NATO bombing raids to pressure the combatants to end fighting. But he refused to say now if he would support such strikes.

He discussed Bosnia in telephone conversations with two NATO defense ministers, François Léotard of France and Malcolm Rifkind of Britain. He will meet Mr. Léotard on Monday in Washington and hold talks Tuesday in Brussels with Mr. Rifkind on the eve of a NATO defense ministers meeting.

RAPE: Tribunal Lacks Evidence

Continued from Page 1

abused night after night. The European investigators and Amnesty International reported that all three parties to the conflict, including Muslims and Croats, had sexually assaulted women, but that Bosnian Serbs had been the main abusers. They said that men in detention camps had also been abused.

At the tribunal's headquarters on the outskirts of The Hague, officials say a shortage of money and staff has slowed the pace of their work, leaving them waiting for new funds from the United Nations. Files of evidence already gathered from refugees lie unused and untranslated, Richard Goldstone, the chief prosecutor, said that his staff of 80 people required at least twice as many interpreters, secretaries, lawyers, and investigators.

The shortages affect all of the tribunal's activities, which include reviewing a long list of atrocities. But women's rights groups, which have played a

key role in bringing reports of systematic rape into the limelight, worry that foot-dragging may once again marginalize sexual crimes against women.

These groups complain that so far the tribunal has not adequately prepared to deal with abuses against thousands of girls and women. And they note that the court is pitifully short of female experts, who are considered indispensable to the sensitive task of questioning victims and witnesses.

"For the victims, it's important that prosecution happens as soon as possible, and, besides, rape is still going on," said Jacqui Hunt, a lawyer with the women's rights group Equality Now, in New York.

Mr. Goldstone, a member of South Africa's Supreme Court who took up his post as chief prosecutor in August, agreed that 11 judges were not enough. "Obviously, I'd prefer there to be more women judges," he said. But he expects no changes on the panel, named by the UN General Assembly.

Of the tribunal's 22 lawyers, 8 are women; there are also only 3 women among the 18 investigators.

"We have insufficient women all around," Mr. Goldstone added. "We hope to correct that with the new hiring next year."

The war tribunal will not be the first to hear charges of mass rape, but it is expected to deal with the issue more prominently than any before.

"Rape has never been the concern of the international community," said Mr. Goldstone, who gained a reputation for independence while heading inquiries into political violence in South Africa. "It's important that this be dealt with."

He acknowledged that this raised difficult questions.

"One wants to protect victims who don't want to talk, let alone talk in public," he said.

"But to enable the public to understand the seriousness of these events, we need to hear these women's voices."

Australia Slow, But Under Way

Reuters

BOULDER, Colorado — Satellite measurements show Australia creeping north-northeast two to three inches (five to eight centimeters) a year, a rate that means that it would travel about a mile over the next 20,000 to 30,000 years, a university study says.

"All these measurements provide direct evidence of tectonic motion that we simply did not have before," said Kristine Larson, assistant aerospace engineer at the University of Colorado.

Measurements were made by the Global Positioning System, a group of 25 military satellites that beam radio signals to Earth, operated jointly by the departments of Defense and Transportation.

See our Business Message Center every Wednesday

BEAUVILLAGE PALACE

ENJOY CHRISTMAS AND NEW YEAR'S EVE IN LAUSANNE

Christmas Package \$185. — per person
2 nights including breakfast, dinner on Christmas Eve and lunch on Christmas day
New Year's Package \$110. — per person
2 nights including breakfast
New Year's Eve dinner at "The Imperial Vienna" and lunch on New Year's day

Call and ask for further information at tel. 41-21-613 33 or fax 41-21-613 33 34

German Court Rules Coal Tax Illegal

By Brandon Mitchener

International Herald Tribune

FRANKFURT — Germany's highest court ruled Wednesday that the surcharge that subsidizes domestic coal production was unconstitutional, a decision that will force the government to find a new way to provide \$4.5 billion a year to the industry.

The Federal Constitutional Court gave the government until 1996 to eliminate the so-called "coal penny" system, in which electricity companies charge customers a 7.5 percent

surcharge on their monthly bills.

The surcharge to aid coal production in North-Rhine-Westphalia and Saarland states is to rise to 8.5 percent in 1995.

The Finance Ministry had no immediate comment on the ruling. But Economics Minister Günter Rexrodt said it would be "unavoidable to consider whether we could raise the required funds through a new tax" if the coal industry is to be subsidized out of the federal budget, which is already strained by the cost of German reunification.

The court's decision comes as the government searches for ways to reduce individual and corporate income tax rates, which are among the world's highest.

The government had been considering an energy tax to reduce the country's output of carbon dioxide, which contributes to global warming.

The coal industry had expected to receive as much as 7.5 billion Deutsche marks (\$4.8 billion) in subsidies through this tax in 1996, and as much as 7 billion DM a year for the next four years.

But the Federal Constitutional Court, acting on a complaint filed eight years ago, ruled that it was unconstitutional to charge only electricity consumers the subsidy.

The court suggested electricity was "a starting point for a consumption tax" but said that a broader tax would be more appropriate.

German coal production is the most expensive in Europe and has come under increasing scrutiny as the use of cheaper and cleaner-burning sources of energy spreads.

TORIES: Britain Wonders Whether Major Can Survive Until End of Term

Continued from Page 1

1970s have votes on a budget amendment been lost.

The immediate problem for Mr. Major, and for his chancellor of the Exchequer, Kenneth Clarke, was to fill a \$2.3 billion hole in the budget. Mr. Clarke was to announce substitute revenue measures on Thursday. More pressing was the need to steady the financial markets, which do not take kindly to a political mutiny that unravels the country's fiscal plan.

At 9:30 Wednesday morning, less than 12 hours after the vote, the chancellor raised the interest rate by a half-point, to 6.25 percent from 5.75 percent. While the raise had been expected, the timing was clearly intended to send the message that the government was still in charge and aiming to damp down inflation and control economic expansion.

Over the long run, Mr. Major's challenge will be to restore his credibility and his hold over the party in time for an election, which must be held by mid-1997. To regain popularity, he is looking to Britain's economic recovery, which is moving ahead, and an emphasis on strong new measures to strengthen the powers of the police in questioning criminal suspects.

In dealing with the party, he has tried contradictory tactics, at times threatening the Tory rebels and at other times offering them concessions. Last week, he quelled a revolt by "Euro-skeptics" — those wary of merging more closely with the rest of Europe as called for by the Treaty on European Union — by declaring a vote on Britain's contribution to the European Union to be a vote of confidence in his government.

This meant that when eight Conserva-

tives refused to vote the government line last week, they had to be punished. They were in effect drummed out of the party, at least for the time being. The move backfired. It reversed Mr. Major's slender margin in the House of Commons, giving him control of 322 votes compared with 324 for opposition and Tory rebel votes combined. And when the critical vote on the fuel tax came, the rebels felt free to "vote their conscience." All but one either opposed the government or abstained.

And now Mr. Major is faced with another agonizing decision: whether to let the rebels back in. If he does, his punishment counts for very little. But if he does not, he continues to run the political risk, not to mention the risk of being one of the West's few leaders to voluntarily turn his own majority government into a minority government.

QUEEN: A Planned Oil Well Near Windsor Castle Upsets the Neighbors

Continued from Page 1

hill could be worth as much as \$1 billion. Desmond Oswald, the managing director of Canuk Exploration, the company seeking the permission, noted that there typically is a one in eight chance of finding oil in a wildcat well. The chances of finding commercial quantities he put at no better than 30 to 1. If it does

pan out, Mr. Oswald would be the chief beneficiary. For the queen there would be only two months of day-and-night drilling beginning in August with no accident.

"The queen is away those months," he said.

At the headquarters of the Berkshire County Council, where the fate of the well will be decided on Jan. 4, the chairman of the development control committee noted mixed feelings about the matter. On the one hand, said the committee chairman, Donald Beer, oil wells generally fall into the "not in my backyard" group of developments. On the other hand, he said he detected the first rum-

blings of a gusher of greed among the populace.

"People are wondering how much oil is in their garden," Mr. Beer said. "It figures that they would discover oil under the houses of one of the richest women in the world and all of us poor people have nothing."

For the queen, there was perhaps one bit of good news on Wednesday. The Sun, a tabloid newspaper, reported that faced with eviction next month from her rented house, which has now been sold, the Duchess of York is weighing moving back in with her estranged husband, Prince Andrew.

"My husband would be delighted," she told the paper.

Bonn to Ignore Request For Air Cover in Bosnia

Call by NATO for Fighter-Bombers Dismissed by Kohl Aide as Unofficial

By Craig R. Whitney

New York Times Service

BOON — Chancellor Helmut Kohl's government said Wednesday that it would ignore a request by NATO military authorities for specially equipped German aircraft to boost the air cover for United Nations forces in Bosnia.

The move underlined German reluctance to be drawn into an active combat role in NATO's thwarted effort to use the threat of outside military force in the Balkans.

German officials said they had been asked by the NATO military command on Nov. 30 if they would make available six to eight Tornado fighter-bombers with special electronic capabilities for use against increasingly active mobile Serbian surface-to-air missile launchers.

A statement issued Wednesday by Mr. Kohl's chief of chancellery, Friedrich Bohl, said that the NATO secretary-general, Willy Klaus, had confirmed that the request for the German planes had not been a formal or official one by the alliance.

"In view of these facts, the government sees no need for a decision," Mr. Bohl said.

Serbian missile sites near the besieged Muslim enclave of Bihać began posing an increasing threat last month to air cover by the North Atlantic Treaty Organization for United Nations troops in the "protected area" of Bihać, the Muslim enclave the Serbs have been pounding in northwest Bosnia.

The NATO allies rejected an American request to consider a campaign of stepped up air strikes against the Serbs, and turned to diplomacy, which has been equally ineffective.

Earlier this week, at a meeting of the 53-nation Conference on Security and Cooperation in Budapest, Mr. Kohl appealed for a statement calling for a cease-fire. "I do not want to go home and answer questions from people who say, 'What did you do on Bihać?'" Mr. Kohl said.

ARMY: Readiness Slips in Europe

Continued from Page 1

edonia, Kuwait, Rwanda and more than two dozen other trouble spots.

President Bill Clinton announced last week that he would seek an additional \$25 billion in Pentagon spending over the next six years. Army officials also acknowledge that they hope the new Republican majority in Congress will provide additional short-term funds in a supplemental appropriation bill.

A senior army official said that although combat divisions in Europe had previously been classified as less than fully ready — during the Vietnam War and the Gulf War, for example — it was typically because crucial personnel and equipment had been seconded to another theater. This is the first time in memory that the entire European combat force has been classified as C-2 because of insufficient training, the official said.

Readiness is a much debated topic in military circles and a difficult concept to quantify. But even with the Cold War consigned to history, being prepared to fight remains paramount in the credo of the U.S. military.

Although forces in Europe are no longer likely to wage World War III against the Russians, the chance of combat somewhere against some foe remains high. Should United Nations forces in Bosnia require extraction under fire, for example, the 1st Armored Division would likely be part of a NATO rapid deployment force sent to provide cover, army officials said.

General Madox, who has commanded U.S. Army forces in Europe since July 1992 and is about to retire after 35 years in uniform, said that he had funneled \$150 million from training funds to various quality-of-life accounts in fiscal 1993 and

But on Wednesday, after Mr. Kohl went home to Bonn to preside over a cabinet meeting, his government answered the allied request for German warplanes with silence.

The NATO supreme allied commander Europe, General George Joulwan of the United States, had relayed the request to the German Defense Ministry, a move seen by many German commentators and officials as a challenge that could force Germany against its will to take on an active combat role in the former Yugoslavia.

Germany has avoided doing so primarily on the ground that memories of Nazi war crimes there are still fresh.

But until a court ruling last summer found that the country's 1949 constitution did not bar military missions beyond the German borders, German politicians had also argued that their military could only be assigned to NATO to defend German territory from outside attack.

The Constitutional Court in Karlsruhe said in July that German soldiers could also participate in international peacekeeping missions under United Nations auspices, if the legislature agreed.

Public mistrust of foreign military entanglements remains strong, as a public opinion poll of 1,007 Germans by the weekly magazine Stern showed last week. Fifty-four percent of them said they opposed German air strikes against the Serbs in Bosnia.

The opposition Social Democratic Party leader in parliament, Rudolf Scharping, said Wednesday that the party would oppose sending German planes into combat there.

NATO officials in Brussels said that the request for the planes had been discussed at the edges of last week's meeting of foreign ministers, but not pressed. It was out put to a regular meeting of the alliance's permanent representatives on Wednesday, they said.

did the same thing in fiscal 1994.

In both years, he added, he received from Congress an adequate training budget but only 60 percent of the money needed to operate the army's 370 bases and other installations in Germany, Italy, Belgium and the Netherlands.

General Madox estimates that he will have a \$170 million shortfall this year even without undertaking any new construction or tackling "a backlog of repair and maintenance."

By the army's own standards the combat divisions in Europe are adequately trained "to undertake most wartime missions." Few commanders would argue that national security has been imperiled by the recent slippage; but many senior officers who served in the dispirited "hollow Army" of the 1970s interpret current trends as portents of worse things to come.

Santa Line Cut By Scroogelike French Official

Agence France-Presse

PARIS — Officials pulled the plug Wednesday on a dial-a-Santa service for French children, saying the service was a con because Father Christmas was not really on the other end of the line.

"The words which pretend to be those of Father Christmas are simply destined to keep the caller on the line," said Alain Lacabanne, a magistrate, upholding a claim by a parents' group that the service was a fraud.

He said the service, run by a company in Aix-en-Provence was "manifestly illicit."

TO CUT THROUGH

THE HASSLES OF USING

A FOREIGN PHONE,

CUT ALONG THE DOTTED LINE.



COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS
American Samoa	633-1000	Cyprus	080-900-01	Japan (KDC) (English)	0066-53-877	Peru	195	Turkey	00-800-1-1477
Antigua (dedicated phone)	80	Czech Republic	002-067-187	Japan (KDC) (English)	0020-131	Philippines (PhilCom)	105-01	U.S. Virgin Islands	1-800-877-8000
Argentina (pay phone)	1-800-346-4663	Denmark	800-1-0877	Japan (Japanese)	0066-55-588	Philippines (PhilCom)	105-16	U.S.A.	1-800-877-8000
Armenia	001-800-777-1111	Dominican Republic	1-800-751-7877	Korea	0082-12	Poland	0010-400-115	Uruguay	800-131
Australia (Optus)	008-5511-10	Ecuador	171	Korea (Domestic)	0020-13	Portugal	00351-1-877	United Arab Emirates	800-131
Australia (Telstra)	1-800-881-877	Egypt (Cairo)	256-4777	Kuwait	0096-777	Puerto Rico	1-800-877-8000	United Kingdom (BT)	0800-80-8077
Austria	002-902-014	Egypt (all other)	191	Lebanon	0096-115	Romania	01-800-0677	United Kingdom (Mercury)	0800-80-8077
Bahamas	1-800-389-2111	El Salvador	005-090-100-3	Lithuania	00370-115	Russia (Moscow)	01-800-0677	Uruguay	800-131
Bahamas	1-800-877-8000	Finland	00353-1-877	Luxembourg	00352-115	Russia (all other)	007-155-6133	Venezuela	0051-111-0
Belgium	0032-10014	France	0033-10014	Malaysia	0060-121	Saudi Arabia	00966-115	Venezuela (Spanish)	800-1111-0
Belize	84	Germany	0049-1877	Mexico	0052-020-111	Senegal	00221-1877		
Bermuda	1-800-523-0877	Greece	0030-111	Morocco	00212-111	Sierra Leone	00232-111		
Bolivia	00591-2333	Hong Kong	00852-2333	Nicaragua	00505-111	South Africa	0027-111		
Brazil	0055-0816	Hong Kong	00852-2333	Netherlands	0031-1877	Spain	0034-111		
British Virgin Is.	1-800-877-8000	Hong Kong	00852-2333	New Zealand	0064-111	St. Lucia	00868-111		
Bulgaria	00359-1010	Hungary	0036-111	New Zealand	0064-111	St. Vincent	00844-111		
Canada	1-800-877-8000	Iceland	00354-111	New Zealand	0064-111	Suriname	00594-111		
Chile	0056-111	India	0091-111	Nicaragua (Spanish)	00505-111	Switzerland	0041-111		
China (English)	0086-111	Indonesia	0062-111	Nicaragua (Spanish)	00505-111	Sweden	0046-111		
China (Mandarin)	0086-111	Ireland	00353-111	Nicaragua (Spanish)	00505-111	Switzerland	0041-111		
Colombia (English)	0057-111	Israel	00972-111	Nicaragua (Spanish)	00505-111	Thailand	0066-111		
Colombia (Spanish)	0057-111	Italy	0039-111	Nicaragua (Spanish)	00505-111	Thailand	0066-111		
Costa Rica	00506-111	Japan	0081-111	Nicaragua (Spanish)	00505-111	Trinidad & Tobago	00868-111		
Croatia	00385-111	Kenya	00254-111	Nicaragua (Spanish)	00505-111				

Sprint.

To call, just use this handy guide and dial the access number for the country you're visiting. In no time at all, you'll be connected to an English-speaking Sprint operator. It's that easy.

سكربت الاميل

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Europe Dithers

Six months ago, this was supposed to be Europe's time of decision. Germany's presidency of the European Union in the second half of 1994, followed by France's in the first half of 1995, would see the Union's two main powers set Europe on its road into the new century. It has not happened.

When the Union's leaders meet in Essen on Friday, near the end of Germany's time at the top, it will be seen that neither of the two chief things that needed to be done is in fact being done.

One was the obligation to throw open the doors. The European Union is either a Europe-united or a Europe-splitter. If it is not to be a splitter, the new democracies of ex-Communist Europe have to be given a clear idea of how they can win full membership.

The Essen summit will consider a vague paper on the subject. But it does not know where the money will come from to turn paper into reality. The Union's southern members will not pay the cost of this eastward expansion unless they get the money they want for a plan to help North Africa — a combination that would reach deep into the pocket of the Union's increasingly reluctant chief paymaster, Germany.

Worse, the paper does not say how the Union is to change its farm policy in order to admit the new eastern members. This is a fatal flaw. Good, cheap food will be one of the easterners' chief exports to the rest of the Union.

The Union must therefore accept drastic cuts in its present members' farm production, or bust its budget by paying out even more in subsidies. Until it faces up to this, its talk of eastward expansion is so much hot air.

The other great issue that looks likely

to be brushed under the carpet in Essen is Europe's future constitution. This is a subject that could break the French-German axis, and thereby change the shape of Europe's future.

Some of Chancellor Helmut Kohl's chief colleagues have lately been repeating, presumably by Mr. Kohl's approval, that in their view Europe must become a single, federated state. Even a single currency, one of them has said, necessarily points to political union. These are risky things to say in Germany, where a Financial Times opinion poll this week suggests that only 24 percent of Germans want a single currency and only 23 percent want closer political union. And it has had an explosive consequence in France, where Prime Minister Edouard Balladur felt it necessary to say in Le Monde on Nov. 30 that an enlarged Europe cannot be a federal Europe.

The matter could conceivably decide France's coming presidential election. If Jacques Delors chooses to run as the Socialist candidate, his likeliest opponent is a man who now seems to think that skepticism about a federal Europe is a vote-winner. If Mr. Delors does not run, no other Socialist seems likely to keep the presidency in federation-friendly hands. The consequences could extend far beyond France. The pattern of European power would change, if France and Britain combined to back the idea of a looser, confederal future against the German federalists.

Yet the subject is not on the agenda in Essen; it can be discussed only in snatched moments between official sessions. Europe has once again looked the future in the eye, and blinked.

INTERNATIONAL HERALD TRIBUNE

Ambushed in Budapest

Bill Clinton's European cares blossomed in Budapest. He had gone there to explore the security uses of the 52-nation talk shop known as the Conference on Security and Cooperation in Europe. Twice he was ambushed. The president of Bosnia delivered a tirade against "the weakness of the West." The president of Russia professed to find an echo of the Cold War in NATO's efforts to bring in Central Europeans.

In the past the CSCE steered postwar borders and legitimized global discussion of Soviet-bloc human rights. But at Budapest it could move only halfway to take on peacekeeping in Armenia/Azerbaijan as the first security test that many members favor. Most members dragged, being no more eager for costly intervention in Nagorno-Karabakh than in Bosnia. Russia also dragged, not winning its goal of CSCE sponsorship of Russian peacekeeping but not permitting CSCE control of CSCE peacekeeping either.

Bosnian President Alija Izetbegovic, in his complaints about American policy in particular, works to widen a growing split. The Democratic administration is now pursuing an ally-oriented "peace strategy," which critics see as appeasement. Newly ascendant Republicans promise a battle-oriented, get-even policy that the administration calls an invitation to open-ended war.

Each policy line promises more than it can deliver. The best available course would borrow from both sides. United Nations ground peacekeepers, whom Serbia has made hostages against NATO bombing, had best be withdrawn. That would create a humanitarian nightmare, but it would let NATO make a new decision on use of air power — a decision on which it would need to consult Russia. The Muslim-led Bosnian government would have new access to arms but would be pressed to stay at the negotiating table all the same.

At Budapest, Boris Yeltsin strenuously objected to NATO enlargement. A year ago the "Russia-first" tendency of U.S. policy might have guided Washington, but it has come to support eventual admission of the Central European democracies. Part of this stiffening flows from Russia's one-sided 19th-century type of tilt to the chief aggressors, the Serbs.

Many Russians are confused and anxious about NATO expansion, or still gripped by the mental habits of empire. They need to think about it harder.

They also need to be assured and shown that expansion can reduce uncertainty in a hypersensitive part of now independent Europe and that the resulting continental police would benefit them as well as others.

— THE WASHINGTON POST

Bentsen Will Be Missed

Treasury Secretary Lloyd Bentsen's resignation is bad news to a battered White House. Mr. Bentsen knows best what the administration desperately needs to learn: how to deal with a Republican-led Congress. His consistent voice for policy moderation will be missed among a chorus of advisers who remain befuddled about what the voters meant when they rejected the Democrats.

Mr. Bentsen's clout on Capitol Hill was important to Bill Clinton's major legislative victories. He fought hard within the administration, and then in Congress, for a budget that would cut the deficit and raise spending on training and education — beating back advice from White House pollsters who pushed Mr. Clinton to promise a tax cut that he knew the government could not afford.

He also overcame bad advice from Democrats like the majority leader, Richard Gephardt, and independents like Ross Perot to scuttle the North American Free Trade Agreement with Mexico and Canada.

And he rounded up desperately needed votes in the Senate last week for the GATT trade agreement.

Mr. Bentsen marshaled votes against a balanced-budget amendment that, among other glaring faults, would have stymied the government's ability to fight off recession. He also deserves praise for refraining from taking cheap shots at

the Federal Reserve Board for raising interest rates as the economy grew at a rate he knew was unsustainable.

Mr. Bentsen did not always win. His advocacy of a politically feasible health care bill lost out to First Lady Hillary Clinton's grander plan.

And at times he carried caution too far. He did not push for ambitious policies — overhauling the tax code, for example — that could address profound economic problems like the nation's stagnant productivity or its pathetically low savings rate. Mr. Bentsen has thus left a void that the Republicans intend to fill, unfortunately, with tax policies to reward the rich and punish the poor.

Robert Rubin, another fiscal moderate, who runs the president's National Economic Council, will be nominated to replace Mr. Bentsen. He is a wise choice; as one administration official observed, Mr. Rubin, the wealthy former head of Goldman Sachs, has the "highest ratio of money to ego" in Washington. He is a seasoned financial expert who wins policy fights without bruising the feelings of his White House colleagues.

But even if Mr. Rubin counsels his president well, he will find it hard to replace Mr. Bentsen in one respect. Mr. Clinton will have lost the one cabinet secretary who came with built-in credibility in Congress.

— THE NEW YORK TIMES

The New Job for NATO Should Be Security Eastward

By William Pfaff

PARIS — One would think the Conference on Security and Cooperation in Europe complementary to NATO rather than rival. Its purpose is to assure a dialogue between Russia and the other former Soviet countries and the nations of the Western alliance. It was created in the course of the Cold War's winding down, an element in the détente that broke out when Mikhail Gorbachev launched his reforms of the Soviet system.

The practical importance of the CSCE is not great, since the organization does not actually do very much other than talk, and must have a consensus of views to be able to do anything at all. NATO does do things: It deploys armies, conducts air and naval operations, is capable of going to war. It is exclusive. It is a security alliance, originally directed against Russia, which now contemplates admitting that country.

The CSCE is inclusive. It makes no invidious distinctions between nations. It is valued by Russia precisely because it does not draw a line between vulnerable countries anxious about their security, and those others thought to be possible future threats to good order in Europe.

Should such invidious distinctions be drawn? If not, it is hard to see why NATO should exist. Its past role was to defend the West against the Soviet Union, and there is no more Soviet

Union. It recently undertook a new role as the strong arm of United Nations peacekeeping in Bosnia. But this has led to confusion and frustration — to the humiliation both of the United Nations and of NATO — and has done little to produce or "keep" peace.

So what is the purpose now of NATO? There would seem to be two possible functions for the alliance. The first is its classic role: to defend its members against a renewed threat from the east, should that come. As Russians themselves acknowledge, their country remains unstable. There is some danger of reversion to a belligerent nationalism, and conceivably — if we are to take seriously the threats of Vladimir Zhirinovskiy, a man who wants to be Russia's president — of renewed aggressive behavior toward Russia's neighbors.

Much of the debate over NATO takes place in terms of an argument that says admitting Russia to NATO will strengthen democratic forces there, while to exclude it would strengthen undemocratic nationalist forces. This reflects the dangerous assumption that foreign influences are determinant in what happens to Russia.

Surely what happens in Russia's internal political affairs during the next few

years will be determined by internal forces. It is rash to think otherwise. Russia's relations with the West have already been soured by the interference of well-intentioned Western governments and individuals who think that they can, or should, teach Russians what to do. The NATO affair is a factor in influencing Russian popular and elite opinion, but only one factor among many.

The other function of NATO is to guarantee the security of its internal as well as external frontiers, assuring the peaceful conduct of its own members. This is a role extremely valuable to Russia, as well as to the United States, Western Europe and the Central and East European countries now candidates for NATO membership. In the foreseeable future, the threat to peace does not come from beleaguered Russia — whatever the scenarios envisaged by some Western commentators — but from instability born of ethnic nationalism in the region.

In a fundamental way, it was very easy for NATO to protect the West against the Soviet Union. The goal was clear. The means were available. Everyone believed in the necessity of the alliance. The public would pay, and willingly sent its young men into NATO service.

But today one must ask if the Western governments are prepared to deal with instability in Eastern Europe. Will they

really guarantee Hungary's borders, when Hungary has old and acrimonious quarrels with Serbia, Slovakia and Romania over the status of Hungarian minorities in those countries? Is the United States prepared to accept that any violation of Poland's frontiers is equivalent to an attack on its own frontiers? Are Britain, France or Germany so prepared?

I think it would be prudent and wise for Washington, London, Paris and Bonn to say "yes." But I am not sure that this decision would have popular support. I favor such a guarantee because I think it serves Russia's interests, too. Western-guaranteed stability on Russia's western borders is a very good idea.

Russia has need of an orderly Central and Eastern Europe. So does the West. NATO can provide that. It certainly has a better chance of doing this than it has of influencing Russia's internal affairs.

NATO does have an important future role. It is to extend its system of international solidarity eastward, on terms that guarantee the mutual respect of its members for one another's interests, and respect of their commitment to negotiation and the peaceful adjudication of conflicts. If it succeeds in that, it stabilizes the geopolitical terrain that Russia occupies, and that is good for everyone.

International Herald Tribune
© Los Angeles Times Syndicate

The United Nations and NATO Have a Responsibility to Save Bosnia

By Charles A. Forrest

ZAGREB, Croatia — Now

that the Clinton administration has apparently decided to join with its European allies to appease Serbian aggression, efforts are under way to persuade the Bosnians and the rest of the world that the war is over. Even former friends of Bosnia are rejoining the chorus, the latest being George Kenney, the Foreign Service officer who resigned from the State Department in 1992 in protest against U.S. policy in Bosnia.

In commentary on this page last Friday, Mr. Kenney argued that the Bosnian government has become a "hard-line, anti-democratic Muslim entity," and that the United States should disavow the "Muslims" of their "irrational and dangerous belief that the West will eventually come to their rescue." Mr. Kenney has

decided that "the West should make the Bosnian government settle against its wishes."

Having myself spent the last eight months in Sarajevo as a member of the United Nations Protection Force, and having now submitted my resignation after the force's craven refusal to protect the "safe area" of Bihać, I can sympathize with Mr. Kenney. But that is no reason to condemn Bosnia to death.

Despite the setbacks in Bihać, Bosnia is not dead yet. Even Bihać is still holding out, two weeks after Lieutenant General Michael Rose, the UN force's commander in Bosnia, decreed that it could not be defended.

If the "Muslims," as Mr. Kenney calls the Bosnian govern-

ment, still cling to an "irrational belief" that the West should protect them, it is because a dozen Security Council resolutions and the absolute moral principle that aggression and genocide cannot be tolerated require that the West should.

And the Bosnian government is not, by any stretch of the imagination, a "hard-line, anti-democratic Muslim entity."

Faced with the prospect of having their country divided between Croatia and Serbia, the Bosnian Muslims have naturally sought their own identity. Any expression of this identity is seized upon by the Serbs and their allies in the West, particularly in France, which fears the growth of Islamic fundamentalism in

Europe, as evidence that the Bosnian government is headed for Iranian-style repression. But there are still Croats and Serbs in the Bosnian government, and official policy is still the maintenance of a multiethnic, multi-religious society.

The Bosnian Serbs do not even pretend that the ideological foundation of their "state" is anything but pure racism. They offer the non-Serbs in their territory nothing but the prospect of deportation or death or a permanent status as subhumans. If Sarajevo surrenders, there will not simply be a change in government, there will be killing and "ethnic cleansing" on a massive scale.

The correct response to Serbian attacks on the "safe areas" and Serbian harassment of the UN force is not to back down or pull

out, but for NATO and the UN force to strengthen their resolve. The crisis facing the UN force today is the result of its policy of refusing to respond to Serbian provocations.

Last month, when the Serbs started massing forces for an attack on Bihać, General Rose did nothing. Two weeks before the Serbs pushed to the edge of the "safe area," he predicted that Bihać would fall. Only when it was too late to make a difference did the UN force act, calling in NATO air strikes against an airfield and surface-to-air missiles but not against the Serbs' heavy weapons.

I have heard General Rose express contempt for the Bosnians. I believe he felt that Bihać deserved to fall because the Bosnians had dared to launch an attack against the Serbs from the pocket. Obviously, the result of the ill-conceived Bosnian attack has been disastrous. But after six months without the arrival of a single humanitarian aid convoy, it is easy to understand the desperation felt by Bihać's defenders.

Despite the UN force's inaction, Bihać, Gorazde and Sarajevo are still "safe areas" declared by the Security Council. The UN Protection Force and NATO still have an obligation to defend them.

Instead of planning for withdrawal — a logistic nightmare that would undoubtedly result in many casualties and possibly set off a wider Balkan war — the force should accept the responsibility of calling in NATO air power in a timely and preventive fashion. There really is no other option.

The unwillingness of General Rose and Yasushi Akashi, the senior civilian UN force official, to use NATO air power was ostensibly motivated by concern for the safety of the UN force's personnel. But by refusing to use this tool they have endangered their personnel and the people living in the "safe areas."

The mere threat of air strikes was enough to stop two years of shelling of Sarajevo. So the UN force should have recognized the power of the weapon at its disposal. By making clear that it would not be used, or would be used only in a symbolic fashion, the force threw away its own protection.

Once Britain and France accepted the principle that their troops in Bosnia were hostages to the Serbs, they embarked on a long road of appeasement.

Suggestions that Bosnia should give up, and that America should cooperate with European appeasement, will not solve the problem or end the carnage. All they will do is condemn a member state of the United Nations to extinction, condemn thousands to death or exile, and condemn the West to repeat the history we thought had finally ended.

The writer, an American, was liaison officer at the UN Office of the Special Coordinator for Sarajevo until his resignation on Monday. He contributed this column to the International Herald Tribune.

How Can the West Help? Not by Dropping Bombs

By Misha Glenny

STOCKHOLM — As shells continued to fall Monday in the Bihać region of Bosnia — just 500 kilometers from Budapest, where the Conference on Security and Cooperation in Europe was meeting — the United States, Britain, France, Germany and Russia were trying frantically to establish a unified, coherent and effective policy on the Balkan crisis.

But there is no good, just or safe solution to the hot war in Bosnia and the frozen war in Croatia. The world's options range from very bad to disastrous.

The five-nation contact group is confronted with a bill that keeps rising. The costs stem from grave diplomatic and political errors committed after the Yugoslav federation collapsed in 1991.

The following are some of the possible consequences: a complete carving up of Bosnia-Herzegovina between Serbs and Croats; a full-scale Balkan war; dissolution of NATO; collapse of U.S.-Russian cooperation, leading to the throttling of the United Nations Security Council's ability to regulate international crises; re-establishment of the hostile division of Europe.

If the world accepted the advice of Senator Bob Dole and former Prime Minister Margaret Thatcher, these consequences would be likely to close in on us like a garrote.

To offer large-scale military support to the Bosnian government would trigger a ferocious response from Belgrade. It would also place nearly intolerable strains on the fragile peace that has existed since January 1992 between Croats and Serbs in Croatia.

Britain, France, Germany, Russia and now President Bill Clinton are firmly against going to war on behalf of the Bosnian government because they are convinced that this would threaten stability in Southeastern Europe.

And the withdrawal of UN troops from Bosnia that Newt Gingrich has suggested would cause untold suffering. The Bosnian government would understandably attempt to confiscate all UN equipment, including heavy artillery. The Serbs, who fear that a pullout would preface large-scale air attacks, would prevent a withdrawal by force if necessary. NATO would then be compelled to engage in bloody battles to secure the pullout.

And once the UN is gone, not only will civilians in Bosnia lose their access to aid, there will be nothing to stop a tremendous escalation in the fighting.

The British and the French are now openly considering a withdrawal, and the UN's patience is running very low.

In an unprecedented outburst, Thant Myint-U, a UN spokesman in Sarajevo, has accused the Bosnian Serbs of effectively waging war against the peacekeepers.

A full-scale Bosnian and Croatian war in the north would place tremendous strains on Macedonia in the south.

One of the Clinton administration's unsung foreign policy successes has been its stabilizing influence on the southern Balkans. By using skilled backdoor diplomacy and cooperating with the United Nations in Macedonia, where 500 American marines are stationed as part of a UN peacekeeping force, Washington has helped to ensure that the myriad disputes between states in the region have not erupted in violence.

As for Bosnia, the contact group's policy hardly inspires confidence. But the group has found a most unlikely ally in Slobodan Milosevic, Serbia's president. His commitment to the peace plan is genuine because Serbia's economic and political isolation is beginning to undermine the only goal he holds dear: his domination of Serbia proper.

But this onetime master puppeteer, who nurtured the Serbian nationalists of Bosnia and Croatia, is no longer able to force his protégés to sing and dance to any tune he chooses to play.

Radovan Karadzic and the rest of the Bosnian Serbian leadership would agree to a revised peace plan, but only if they received the Muslims' eastern enclaves of Gorazde, Srebrenica and Zepa, a widening of the strategic Posavina corridor in the north, and part of Sarajevo.

Can the West afford to make further concessions to the Bosnian Serbs now that it has allowed itself to be humiliated?

The partition of Bosnia has already taken place, thanks to the March 1994 Washington agreement, inspired by President Clinton's team, which established a confederation between Croatia and the Muslims and Croats in Bosnia. It is illogical now not to give the Bosnian Serbs a similar relationship with Belgrade.

So the contact group must hold on to its position and apply all possible pressure on the Bosnian Serbs to come to a deal. This it can do only through Mr. Milosevic.

The international community must impress upon President Milosevic that unless he can persuade Bosnian Serbs to say "yes" to the contact group's peace plan, there will be no lifting of UN sanctions against Serbia.

This is perhaps neither honorable nor even probable, but the international community has been guided by neither honor nor intelligence in this crisis.

Perhaps those of us working in the Balkans have become jaundiced beyond rational thought. I see no longer a way out. I see only dark times ahead.

The writer, author of "The Fall of Yugoslavia," contributed this column to The New York Times.

Protect Protectors Who Don't Protect

THE most succinct summary of the British government's absurd position on Bosnia like this: The Bosnians cannot be allowed to protect themselves, because this would endanger the troops sent there to protect them but who failed to do so.

The British government's position involves another absurdity: that we should not only abandon the legitimate government of Bosnia to its fate, but we should do all in our power to prevent the Americans from coming to its aid, even at the price of a catastrophic trans-Atlantic rift.

We are left with the truly bizarre fact that while there is no political will in Britain to save the Bosnians from aggression and ethnic cleansing, there are great hidden reserves of political will and incentive to prevent the Americans from doing so.

— Brendan Simms, director of studies in history, Peterhouse, Cambridge, writing in The Independent (London).

This European Disunion Is Costly

EUROPEANS are painfully aware that their priorities are increasingly divergent. Around France, countries to the south are looking across the Mediterranean to the Maghreb with growing sense of vulnerability and fear. Countries to the north, around Germany, are giving priority to the enlargement of the European Union in East-Central Europe.

On Bosnia, Europeans have exposed their divisions (rather than sending them), their lack of political will, and their failure to perceive the moral and symbolic cost of overcautiousness in the face of suffering of other Europeans. They have not been able to count on Americans to stop the fighting. Worse, the protracted war has strained and divided the Atlantic alliance.

Europeans are ultimately the only ones responsible for other Europeans. Although it cannot be calculated, the cost of nonintervention is proving higher than that of interference.

— Dominique Moisi and Michael Mertes, writing in Foreign Affairs (New York).

Who Says It's Too Late to Save Bosnia?

THIS sickening situation is similar in many respects to the pitiful and portentous failure of the League of Nations, predecessor to the United Nations, and of major governments to deal with aggression, violence and contempt for international obligations in the 1930s.

Those who would dismiss the tragedy in Bosnia as of no consequence except to the Bosnians should be required to study the earlier disgrace and ponder its consequences.

Ten or 20 years from now, the failure in Bosnia may be recalled with the same despair as were the events of the 1930s, during and after World War II. The historians of the next century may write that the triumph of Serbian aggression, confirmed by the withdrawal of NATO and UN forces and by the incoherence of U.S. policy, was a dark turning point.

They may have to write that Bosnia was followed by the self-destruction of the United Nations as an instrument for the prevention and punishment of aggression, and the return of the United States to irresponsible isolationism. They may have to chronicle a succession of Bosnians perpetrated by people ready to find rewards through killing, with violence spreading across Eastern Europe, the former Soviet Union, Africa and the Middle East — violence employing ever more destructive weapons.

The first step toward a resolution in Bosnia should be to take all necessary steps for the fulfillment of the peace plan proposed earlier this year by the United States, Britain, France, Germany and Russia — and accepted by the Bosnian government.

This means resolute rejection

1894: 'Salon du Cycle'

PARIS — The exhibition of cycles, bi and tri, otherwise known as the Salon du Cycle, in the Palais de l'Industrie, was formally opened yesterday (Dec. 7). The show is, of course, highly interesting, and many splendid machines are on view. But there is no striking novelty, save except the bamboo frames, which reduce the weight of a substantial bicycle to about sixteen pounds. Decidedly bamboo has a great future in store if it can be relied on for solidity, which yet remains to be proved. However, none of the petroleum cycles, about which there has been so much talk, are in the exhibition.

1919: Fancy Schools

LONDON — Great controversy is raging over the anti-snobbery campaign of the great public

schools of England. Eton and Harrow seem the chief victims, because smartness in dress, including the proverbial top-hat, signify snobbery to the "plebs" who are incapable of judging the difference between manners and refinement on the one hand and conceit and pose on the other.

1944: Russians Rescued

STRASBOURG, France — [From our New York edition:] The Civil Affairs office of the United States 7th Army saved from starvation today (Dec. 7) 115 Russian girls and boys whom the Germans had dragged out of Ukraine two years ago and used as slave workers in Germany and Alsace. The Russians, who were discovered by a group of war correspondents, had received no rations for two weeks. Their existence was not known by any authorities.



International Herald Tribune

ESTABLISHED 1857

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

Co-Chairmen

RICHARD McCLEAN, Publisher & Chief Executive

JOHN VINOCUR, Executive Editor & Vice President

WALTER WELLS, New Editor; SAMUEL ABT, KATHERINE KNORR and

CHARLES MITCHELL MORE, Deputy Editors; CARL GEWIRTZ, Associate Editor

ROBERT J. DONAHUE, Editor of the Editorial Pages; JONATHAN GAGE, Business and Finance Editor

RENÉ BONDY, Deputy Publisher; JAMES McLEOD, Advertising Director

JUANITA L. CASPARI, International Development Director; ROBERT FARRÉ, Circulation Director, Europe

Directeur de la Publication: Richard D. Simmons

Directeur Adjoint de la Publication: Katharine P. Durrow

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.

Tel.: (1) 46.37.93.00. Fax: (1) 46.37.06.51. Adv.: 46.37.52.12. Internet: IHT@eurcom.fr

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel: (65) 473-7788. Fax: (65) 274-2334

Mng. Dir. Asia: Rolf D. Krongauz, 30 Gloucester Rd., Hong Kong. Tel: (852) 9222-1188. Fax: (852) 9222-1190

Gen. Mgr. Germany: T. Schiller, Friedrichstr. 15, 10117 Berlin. Tel: (49) 30 72 67 55. Fax: (49) 30 72 73 10

Pres. U.S.: Michael Cowan, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 932-3800. Fax: (212) 755-8765

U.K. Advertising Office: 63 Long Acre, London WC2E. Tel: (44) 1836-4802. Fax: (44) 240-2254

S.A. au capital de 1,200,000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

© 1994 International Herald Tribune. All rights reserved. ISSN 0294-8652

OPINION

The Intriguing Gore Differences

By Jim Hoagland

WASHINGTON — Why are Al Gore's approval ratings consistently higher than those of Bill Clinton when the vice president faithfully reflects the policies and predilections of his president, allowing not a sunbeam of difference to separate them?

I did not put the question directly to Mr. Gore in a conversation the other day. He is obviously too modest, and/or too smart, to compare himself to his boss in an interview. But he hovered at the edge of our talk.

As Mr. Gore spoke, a hypothesis that needs vigorous testing suggested itself: He has developed an ability to take strong positions on cutting-edge issues without making himself the center of the argument. In that respect, this cheerful, can-do youthful Southerner is the polar opposite of the moody, beleaguered youthful Southerner he serves.

In many ways this deft young politician is the polar opposite of his boss.

Mr. Gore has over the years carved out the global environment, population control and the empowerment of women as his issues. This agenda would seem in this time of the "angry white male" to risk having its champion tarred as kooky or radical. Such at least is the conventional wisdom after the Nov. 8 Republican congressional victories.

But Mr. Gore, who fashioned a surprising consensus with the Vatican on population stabilization at the United Nations Population Conference in Cairo in September, softly says that the administration is not going to retreat an inch on its population stabilization programs. Nor will it yield on its commitment to helping other countries move toward three interrelated goals: giving women more power over deciding family size and other issues, increasing child survival rates, and providing "culturally appropriate" birth control and contraceptive knowledge, devices and techniques.

What emerged from the Cairo conference was a more sophisticated intellectual agreement on the true nature of the challenge," Mr. Gore said. "The world has acknowledged there is a systemic problem" that requires simultaneous efforts in the Third World "to shift from high birth and death rates to low birth and death rates."

"I know there are some Republicans who strongly agree with policies that are consistent with these goals," Mr. Gore said, mentioning Representative John Porter of Illinois and Senator Alan Simpson of Wyoming.

"There is also a determined minority that would want to eliminate these programs." But that minority will have to contend with "an American public that strongly supports a sensible and effective policy to stabilize population growth."

The "vast majority" of Americans "knows that it is unsustainable to add a China to the world's population every 10 years," Mr. Gore added. "And I imagine those who voted for Proposition 13 in California this year would argue that the world cannot afford to add another Mexico every year." Proposition 13 restricts state aid to illegal immigrants.

Birth control "is not seen as a woman's issue," the vice president asserted, rejecting the idea that the swerve to the right by male voters on Nov. 8 represented a political repudiation of the gender-oriented views espoused by the president, Hillary Rodham Clinton and himself.

Then the angry white male vote was not a reaction to the administration's commitment to the empowerment of women? "I don't think it is, in this context," Mr. Gore replied. In any other context? He paused and spoke with even greater care: "I'd like to think not. But I would want to reflect on that." It may contain some expression "of resentment over our efforts to remove historic discrimination."

Experts around the world consider the Bangladesh family planning program a success story and deem it worthy of emulation. Bangladesh achieved this success even though other socioeconomic conditions were not conducive to such a rapid fertility decline. The conventional wisdom that "development is the best contraceptive" did not apply here. Allow me to highlight a few areas of success in family planning achieved in Bangladesh.

• Knowledge of family planning is universal. Some 98 percent of all eligible couples know at least one method of family planning.

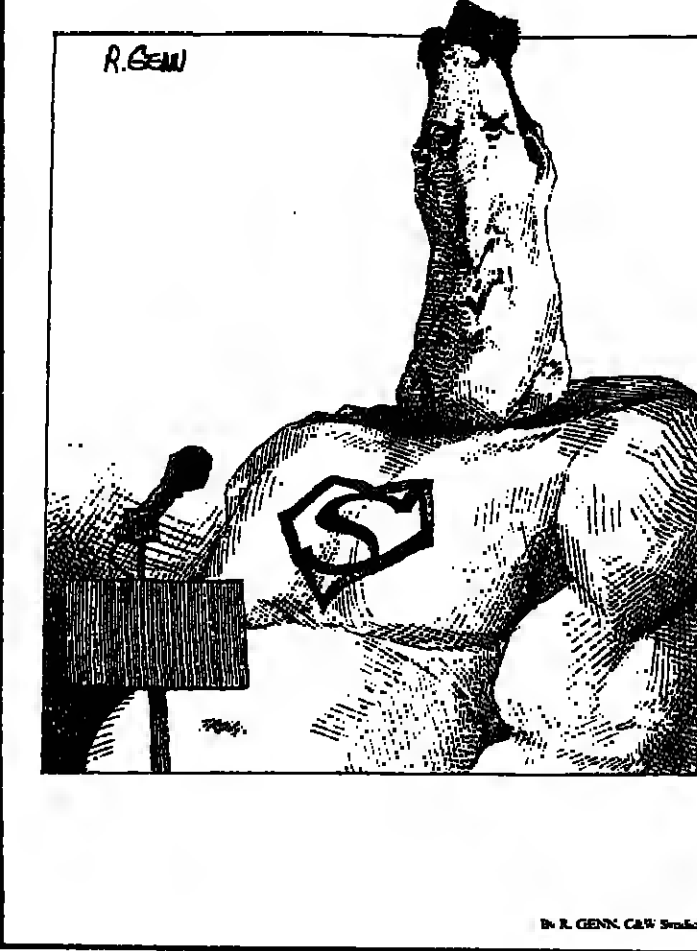
The Cairo conference's final declaration on population stabilization was the first such document that the Vatican did not dissociate itself from, a result that had something to do with Mr. Gore's conciliatory approach. The conference also provided new visibility for the increasing role that he is taking on in foreign affairs. While in Cairo, he held substantive talks with President Hosni Mubarak of Egypt that established a bilateral commission similar to the one he established last year with Russian officials.

Mr. Gore leaves Tuesday for a four-day visit to Moscow. He has a good personal relationship with Prime Minister Viktor Chernomyrdin, with whom he speaks on the telephone every two weeks or so. He also went through a long list of projects he is working on in Latin America, South Africa and elsewhere.

"I feel very good about it," he said when I asked about his growing foreign policy role. Quickly, however, he moved the spotlight away from himself: "I am only one of the people in the administration working on these things. The entire cabinet has been fantastic."

Such is the modesty, or perhaps the cleverness, of a deft politician who has his gaze fixed in the distance. Popular vice presidents above all obey an ancient injunction: Never insult the future. There is so much of it still to come.

The Washington Post.



The Lobby's Goal: To Get Women to Love the Gun

By Bob Herbert

NEW YORK — The circumstances that led up to the shooting are not clear. One version of the story, according to the police in Jackson, Mississippi, is that late Saturday night 3-year-old Jonathan Hicks, who loved to look at

MEANWHILE

the lights on the family's Christmas tree, was mistaken by his stepmother for a burglar.

The stepmother, whose identity is being withheld, reached for a .380 semiautomatic handgun, went into the living room and fired at the first sign of movement. The boy was shot in the head and died.

Police are still investigating and have not ruled out other, more sinister versions. What is not in dispute is that the presence of a handgun in the stepmother's home, legally or illegally, and for whatever reasons, heightened the chances that something terrible would happen.

Tremendous sums of money have been made from the manufacture and sale of guns in the United States. But with so many men already armed, new markets must be found. The following quotation is taken from an "Editor's Note" in "S.H.O.T. Business," a trade journal for the firearms industry:

"An important mission of this magazine is to show our readers how they can expand their customer base, especially to women and children."

Most of us see homicide as a huge problem, but the blood is not flowing fast enough to suit the firearms industry. It is going after women.

Last week the Violence Policy Center, a research foundation in Washington, released a report titled "Female Persuasion — A Study of How the Firearms Industry Markets to Women and the Reality of Women and Guns." The report explained how the leading trade association of the firearms industry, the National Shooting Sports Foundation, created a series of shooting competitions called the Ladies Charity Classic Events as a way of introducing women to guns.

The competitions are now run by an offshoot of the national foundation called the Women's Shooting Sports Foundation. The report said: "By utilizing mainstream charities as beneficiaries, the WSSF entices non-gun-owning women to participate in the Ladies Charity Classic Events... Charities range in size and scope from the 1988 Classic, which benefited a

Houston shelter for abused women and children, to 1994's benefit for the Houston chapter of the Susan G. Komen Foundation for breast cancer research and treatment.

"As the National Shooting Sports Foundation noted in 1992, 'Each [WSSF] regional event will include a shooting clinic prior to the tournament and an association with a charitable cause; both recognized as key factors in motivating women who are not shooters to participate.'"

It is just about impossible to overstate the insidiousness of seeking out women concerned with issues like domestic violence and breast cancer for the sole purpose of putting guns into their hands. But nothing is beneath the gun merchants.

What firearms marketers never point out — to men or to women — is the extent to which the ready access to guns leads not to self-protection but to the destruction of gun owners and their loved ones.

An analysis of gun deaths in the home that was published in The New England Journal of Medicine in 1986 found that more than 80 percent of the homicides occurred during arguments or altercations. In those kinds of situations, individuals often reach "for the most lethal weapon readily available."

Guns are particularly dangerous — and particularly dangerous to women — in households that are prone to domestic violence. That is another taboo topic for firearms marketers. So is suicide. Most gun deaths in America are the result of suicide, not homicide.

Men and women are being sold a fraudulent myth by the gun merchants. The route to personal safety is not more and more firepower in the hands of more and more Americans. The Violence Policy Center noted that "research over several decades has consistently shown that a gun in the home is far more likely to be used in suicide, murder or fatal accident than to kill a criminal."

That fact holds no interest for gun merchants, who, like cigarette manufacturers, make a wonderful living from the sweet smell of death.

The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

LETTERS TO THE EDITOR

A Bangladesh Update

Betsy Hartmann, in "Population: Bangladesh Is No Model" (Opinion, Sept. 30), made observations based on her experience working in Bangladesh in 1975. This was at a time when national population policy was not declared and our family planning program with its "cafeteria" approach of contraceptives was not in operation. Obviously, her understanding of the program is outdated.

Experts around the world consider the Bangladesh family planning program a success story and deem it worthy of emulation. Bangladesh achieved this success even though other socioeconomic conditions were not conducive to such a rapid fertility decline. The conventional wisdom that "development is the best contraceptive" did not apply here. Allow me to highlight a few areas of success in family planning achieved in Bangladesh.

• Knowledge of family planning is universal. Some 98 percent of all eligible couples know at least one method of family planning.

Red Carpets Are No Cure

In 1975, only 7.7 percent of eligible couples were practicing some kind of contraception. The figure had increased to 45.1 percent in 1993-94. The average annual increase of Bangladesh for the last 15 years is one of the highest of all Muslim countries.

• The infant mortality rate was 150 per 1,000 live births in 1975. It is now 88 per 1,000. Maternal mortality is down from 7 per 1,000 in 1975 to 5 per 1,000 today.

The claim that there was a coercive campaign by the army in 1983 to sterilize women in a poor tribal community is unfounded.

Of course, there are many challenges ahead for Bangladesh. The country has to address the population problem more intensively.

But the Bangladesh family planning program is now one of the five most successful programs in the world, as evaluated by the UN Family Planning Agency.

DHIRAJ KUMAR NATH,
Deputy Secretary, Ministry of Health and Family Welfare,
Dhaka, Bangladesh.

In Jesse Helms's America

Regarding "The American Left Lost Touch and Has Deservedly Been Murdered" (Opinion, Nov. 22) by Michael Tomasky:

The specter of Jesse Helms announcing that if Bill Clinton visits his constituency "he had better bring bodyguards" heaped new embarrassment on the United States. What Mr. Helms will never tell you is that it is he who whipped up this frenzy of hatred; it is Jesse Helms and friends, not the Democrats, who are responsible for the current crisis, in which even shy steps by Bill Clinton to end the war on America's poor, and to revive the idea of reasonable government in the public interest, have brought a great blast of heat from the Hate Zone. Mr. Tomasky's self-flagellation about the state of postmodernism at the university and its alleged connection to the electoral scene reveals that he has no clue of what the real stakes are. They are high, and the next two years look very bleak.

CLAUDE CAHN,
Budapest.

How many millions of dollars were spent — wasted — during the recent one-day summit conference on AIDS held at the Unesco building? Would it not have been better to devote that to scientific research for the real and ultimate means of stopping this pestilence?

BERNIE DRESNER,
Paris.

BOOKS

NOBODY'S FOOL:
The Lives of Danny Kaye
By Martin Gottfried. 352 pages.
\$24. Simon & Schuster.

Reviewed by Susan Davidson

CONSIDERING Danny Kaye's worldwide popularity in the '40s, '50s and '60s, it is surprising that no biography (except for a piece of puffery published in Britain a decade ago) has appeared before Martin Gottfried's "Nobody's Fool: The Lives of Danny Kaye." The reason may lie in a news clip Gottfried quotes — Kaye and his wife, Sylvia Fine, warned their only child, the writer Dena Kaye, that "if she ever writes about them she'll be disinherited." Dena so far has maintained her silence — in print, anyway — and presumably her inheritance. Danny Kaye died in 1987 and Sylvia Fine Kaye, four years later.

Why the penchant for privacy? Gottfried, former drama critic for the New York Post and Women's Wear Daily and the author of several show biz biographies (Stephen Sondheim, Ted Harris, Bob Fosse) sets the stage by peeling away Danny Kaye's mask of comedy to reveal a complex, possibly manic-depressive,

WHAT THEY'RE READING

• John Woodridge, an architect and urban planner who was executive director of Washington's Pennsylvania Avenue redevelopment, is reading "Hard to Be Good," short stories by Bill Barich.

"He is a typical Californian in that he's much more literate than he lets on." (JHT)



possibly bisexual man who had many affairs and spent years in analysis.

Danny Kaye, ne David Daniel Kaminski, was born in Brooklyn in 1913, the third son of a saddlebag and corset maker, Jacob Kaminski, and his wife, Clara, poor Jewish immigrants from Ukraine who spoke only Yiddish. "Mach vie (make like) Shirley Temple," demanded Clara. She died when Danny was 13, but by that time his vocation was apparent. The class clown had made his stage debut as a watermelon seed while still in kindergarten.

In a more affluent part of Brooklyn, Sylvia Fine, a dentist's daughter, was racking up high marks, writing humor for the school newspaper and skits

with medicine — Kaye had wanted to be a doctor, but his family could not afford such an education — led him to watch surgeons at work. The love of baseball turned into part ownership of the Seattle Mariners.

While on a plane that nearly crashed, Kaye vowed that if he survived the flight he would get a pilot's license, and he did. He also received a request from a fellow passenger on that flight to become Unicef's goodwill ambassador. Enter Danny Kaye the globe-trotting humanitarian.

Gottfried writes that Sylvia, whom Danny met again in 1939 and married in 1940, was "a Fine head on Danny's shoulders," a position Danny both respected and resented. She wrote more than 100 songs (both music and lyrics) for him, beginning with a Yiddish version of "The Mikado," directed his career, managed his finances and took a back seat to no one. Their professional partnership was strong and symbiotic, but the same cannot be said for their marriage. They lived in separate wings of their Beverly Hills house or on opposite coasts.

The author asserts that Sylvia's independent career ended in the early '40s. Not true. She was a brilliant wit who put words in her actor-husband's mouth for 40 years; wrote, produced and performed in the 1979 Peabody Award-winning television series "Musical Comedy Tonight" (on file, by the way, at the Library of Congress); and taught at Yale.

Kaye fans will have some illusions shattered by "Nobody's Fool," but it sure is fun.

Susan Davidson, arts editor of Washingtonian magazine, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

NEWSPAPER columns collected in book form tend to be dull reading, but there are exceptions. One of them is "Get Smarter at Bridge" by Phillip Alder. Some of his deals show the author's addiction to P. G. Woodhouse and the television show "Get Smart."

The book can be ordered by writing to him at P.O. Box 169, Roslyn Heights, L.I. 11577-0169, and the cost is \$14.95 including mailing.

On the diagramed deal Alder challenged the reader to count the number of malapropisms. Start counting as you read the text:

"The stakes were expansive, very extensive. North had just bid and made seven no-trump. This was the secant deal.

"West had a normal pre-emptive opening of five clubs. North bid six clubs to show a Stroganoff two-suiter, but not necessarily that shapely and strong. The rest of the bidding contained three ill-advised doubles.

"Declarer thumped the club-ace lead in hand. He dashed one round of trumps with dummy's

king before twitching his attentions to hearts. When West absconded on the first round and couldn't bluff, it was an easy job for South to snuff out East's heart queen. Declarer retrained to dummy with a diamond ruff, drew East's two trumps and creamed.

"North-South ... corrected so much money they were suddenly effluent."

North and South were vulnerable.

The bidding:

West	North	East	South
5♣	6♣	7♣	7♦
Dbl.	7♦	Dbl.	7♣
Dbl.	Redbl.	Pass	Pass

West led the club ace.

INTERNATIONAL
Herald Tribune
LIVING IN THE U.S?
NOW PRINTED IN
NEW YORK
FOR SAME DAY
DELIVERY IN KEY CITIES
TO SUBSCRIBE, CALL
1-800-882-2884
(IN NEW YORK, CALL 212-752-3890)

The Pasha watches.
Cartier, the Jeweler, works steel like
a precious metal.



Chronograph in solid steel.
Notched rotating bezel and date.
Water resistant to 30 M.
Cartier quartz movement.

Chronoreflex movement.
Solid steel chronograph with
split second timing and
perpetual calendar programmed
to year 2100.
Automatic time-zone function.
Notched rotating bezel.
Water resistant to 30 M.

Solid steel watch.
Leather strap with adjustable
deployant buckle.
Notched rotating bezel and date.
Water resistant to 100 M.
Cartier automatic movement.

Cartier

PARIS • LONDON • NEW YORK • GENEVA • MILAN • MUNICH • HONG KONG • TOKYO
and one hundred and forty Cartier stores in major cities worldwide.

HEALTH/SCIENCE

Hubble Fills In Creation Details

By Kathy Sawyer
Washington Post Service

WASHINGTON — After decades of trying, astronomers have unveiled for the first time the color and shape of galaxies formed when the universe was as little as one-tenth its present age.

The new images from the Hubble Space Telescope, released at NASA's Goddard Space Flight Center, bolstered a fundamental tenet of the leading theory of creation, known as the Big Bang, but also instantly created another zone of controversy at the theory's heart.

By training the telescope on some of the most distant galaxies known, the three teams used the Hubble to dig back through time and space, in the same way archaeologists dig through ever deeper layers of rock to find fossils. Astronomers have always used telescopes in this way — as time machines to capture light emitted millions or billions of years ago. Such observations provide an image of the past, like fossils encased in starlight. But until now, glimmers from the infant universe remained beyond range.

Many of the galaxies in the new images appear to be surprisingly old, populated with stars glowing a dull red — a sign of stellar old age — even though they inhabit the universe that existed within a mere 2 billion years after the Big Bang. (The aging sun eventually will dim and glow red — but not for another five or six billion years.)

The paradox, as the scientists described it, is to find "grown-up" galaxies in an infant universe.

Some of the images released Tuesday resemble a dipper of cosmic pond water.

with shards and shreds of unidentified bright sources in configurations unknown in the present-day universe, some of them possible ancestors of spiral galaxies like the Earth's galaxy, the Milky Way.

"The evidence is very chaotic," and "marvelously complex," said Bruce Margon, an astronomy professor and chairman of the department at the University of Washington in Seattle. He called the new findings "impressive and depressing," since there is no single theme, but rather "a mishmash."

The Big Bang holds that the universe is not in a static, unchanging "steady state," but has been expanding and changing since the initial moment of explosive creation. Since the theory became popular in the 1950s, astronomers have sought a glimpse of a time when the universe looked different. But objects in the epoch of the first galaxy formation are at such distances that the largest ground-based telescopes see even the most brilliant objects among them (quasars, or quasi-stellar objects, believed to be the violently active cores of young galaxies) as no more than fuzzballs of light, lacking all detail.

NOW the Hubble, positioned above the Earth's atmosphere and using precise optics for photographic exposures of up to 18 hours, has defuzzed the fuzzballs, revealing details of structure and nature. It is like "seeing noses and eyebrows on previously blank faces," said team leader Alan Dressler of the Carnegie Institution of Washington.

"We have very likely identified the long-sought population of primeval galaxies," said Duccio Macchetto of the European Space Agency and the Space

Telescope Science Institute in Baltimore, another team leader. Dr. Macchetto and a colleague, Mauro Giavalisco, identified a cluster of 16 primeval galaxies in the constellation Sculptor.

"The very presence of the cluster shows that these large structures already existed 2 billion years after the Big Bang. This is unexpected and counter to many theories of cluster and galaxy formation," Dr. Macchetto said. Because it takes a billion years to form the type of galaxies they found — egg-shaped galaxies known as ellipticals — they must have begun to take shape as little as a billion years after the Big Bang. (For purposes of the discussion, the teams selected an arbitrary age for the universe of 14 billion years.)

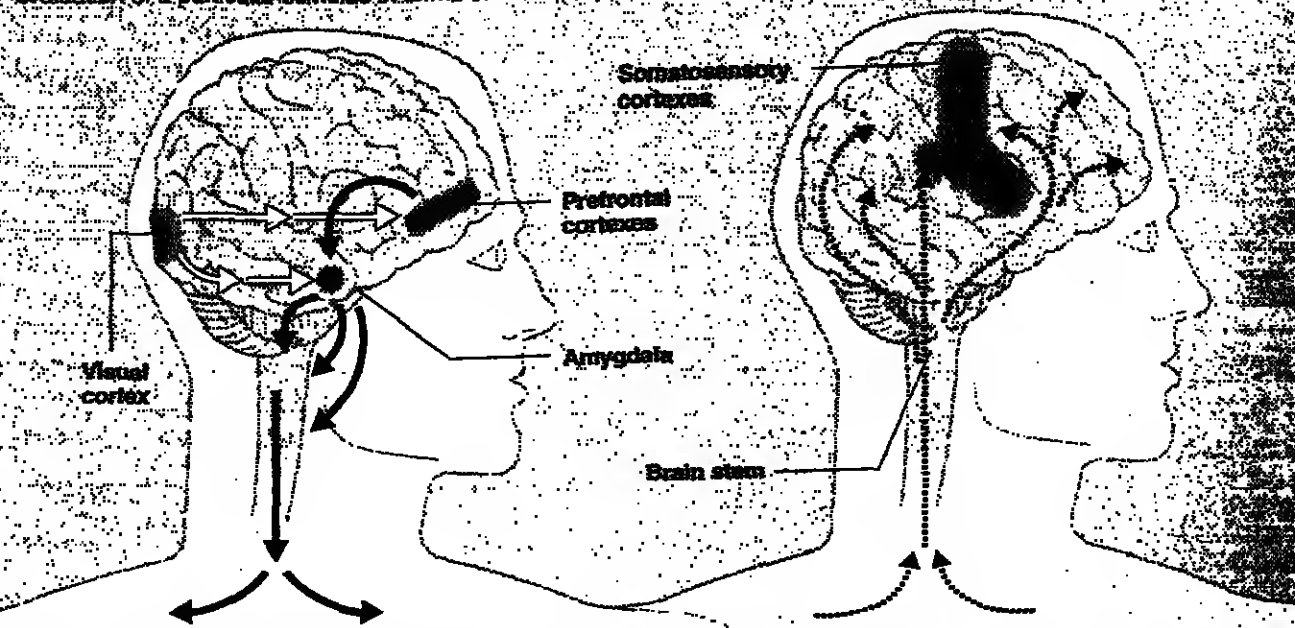
A team led by Mark Dickinson, also of the Space Telescope Science Institute, found a similar scene when it studied a cluster of closer galaxies as they existed when the universe had matured to nearly one-third its current age: more galaxies that appeared to contain populations of older stars.

"This has immediate cosmological implications, since the universe must have been old enough to accommodate them," Dr. Dickinson said. Theories holding that the universe is expanding very rapidly and is therefore at the young end of the theoretical range "leave little time for these galaxies to form and evolve" to the stage of maturity seen in the images.

Dr. Dickinson took one of the Hubble's longest exposures ever, revealing what he called "a bewildering range of galaxy shapes. The Hubble image is like looking at a drop of pond water under a microscope, where we see a menagerie of strange creatures."

Following the Brain's Wiring Diagram for Emotional Reactions

Researchers now believe that traceable physical pathways are responsible for emotional reactions. The necessary basis for feelings, the new research holds, is a perception of both body changes and cognitive changes induced by the evaluation of a particular stimulus in terms of earlier experiences.



PROCESSING A PERCEPTION

The perception of a trigger stimulus, like the face of a loved one, in the visual cortex and the association cortex causes parallel signals to go to limbic system structures like the amygdala and to prefrontal cortex. The prefrontal cortex sends signals to the amygdala, and amygdala signals the hypothalamus and brain stem.

Source: Dr. Antonio Damasio/University of Iowa

PROCESSING THE REACTION

Signals from the hypothalamus and brain stem generate an emotional body state, which is then signaled to several somatosensory cortexes. But the neurotransmitter nuclei in the brain stem also signal many areas of the cerebral cortex and subcortical regions with neurotransmitters. Signals following these pathways cause widespread alterations in how the system handles information.

Reides Copeland/The New York Times

The Physical Roots of Emotion

By Sandra Blakeslee
New York Times Service

NEW YORK — Imagine walking along a jungle path in the twilight and hearing a lion roar. Your skin turns clammy, a knot forms in your stomach and you can taste the fear rising in your throat.

Now imagine walking along a zoo path at the same time of the evening and hearing the same sound. This time you do not feel afraid.

The reason, scientists say, has to do with how emotions and feelings are processed in the brain. External sensations (the roar) and memories (lions are locked up in the zoo) interact along complex circuits to generate our emotional reactions — in this case, to not be afraid.

Those neural circuits — networks of cells that crisscross the brain and send projections throughout the body — are now being delineated in unprecedented detail by a handful of neuroscientists who say the biological nature of emotions and feelings can at last be described.

Until recently, brain researchers focused most of their attention on the biological basis of cognitive processes such as perception and memory, said Dr. John Allman, a professor of neurobiology at the California Institute of Technology. They tended to ignore emotion, he said, in the belief that emotions and rational thought are separate activities and that emotions are just too difficult to understand biologically.

This attitude is now changing. Dr. Allman said, as researchers have come to realize that emotional brain circuits are just as tangible as circuits for seeing, hearing and touching.

In this view, emotions and feelings are not, as poets and philosophers say, ephemeral reflections of the human soul. Rather, emotions are largely the brain's interpretation of our visceral reaction to the world at large.

Pioneering experiments on emotions have turned up some interesting concepts: Emotional memories involving fear are permanently ingrained in the brain; they can be suppressed but never erased.

• The body, as represented in the brain, is the frame of reference for what humans experience as mind. Our thoughts and actions — our sense of subjectivity — uses the body as a yardstick.

• Emotions are an integral part of the ability to reason. While too much emotion can impair reasoning, a lack of emotion can be equally harmful.

• Gut feelings and intuition are indispensable tools for rational decision-making, without them humans would have great difficulty thinking about the future.

Much of the new information about the neural circuits underlying emotion stems from experiments on animals. Dr. Joseph LeDoux, a professor of neurobiology at New York University and a pioneer in such research, said that a basic emotion like fear and the circuits that support its expression were highly conserved through evolution.

Understanding fear mechanisms in animals, he said, sheds light on human fears and may help researchers study other emotions. The work is important because many psychiatric disorders, including anxiety, phobias, post-traumatic stress syndrome and panic attacks involve malfunctions in the brain's ability to control fear, he said.

Much of the research is centered on the amygdala, a tiny structure deep in the brain that is crucial for the formation of memories about significant emotional experiences. Damage a rat's amygdala and it "forgets" to be afraid.

To trace the cell networks involved in fear, Dr. LeDoux and his colleagues first conditioned rats by pairing a loud noise with a mild electric shock to their feet.

The rats soon showed fear when they heard the noise without the shock. The researchers presume fear conditioning occurs because the shock modifies the way in which neurons in several brain regions interpret the sound of the stimulus.

In time, however, the rats gradually lose their fear of the sound. Some part of the rat's brain outside the amygdala seems to control the fear response, Dr. LeDoux said. But it does not eliminate it.

In further experiments, in which researchers damaged a small region of the rat forebrain, the rats not only did not lose

their fear but remained afraid much longer, indicating that the frontal region helps control emotional memories forged in the amygdala and may prevent responses that are no longer useful.

This finding explains why a person who hears a lion's roar in a zoo is not afraid, Dr. LeDoux explained. Input from the frontal area of the brain helps override the fear. But problems with this circuit may underlie phobias, he said. Some people respond with fear to a stimulus such as a lion's roar, even though they know there is no danger. "You can tell phobias all day long. 'This will not hurt you,'" Dr. LeDoux said. "but they don't believe it."

While animal experiments have helped scientists trace exact pathways for fear, the question of how emotions such as joy, sadness, anger or shame are wired in the human brain is more difficult to answer. Psychologists and philosophers have long examined emotions and their impact on behavior, but they have done so by observing what people do and say. Few have ventured into the so-called "black box" of the brain.

BUT advanced imaging techniques that can look inside the brains of subjects while they talk about feelings and experiences are beginning to lead to a neurobiology of emotions. People with brain damage are particularly revealing in this regard. When specific parts of the brain are damaged, patients may lose the ability to feel emotions, sometimes with disastrous consequences.

Pioneering work in this area is under way at the University of Iowa Medical School, where Dr. Antonio Damasio leads a team that is probing the brains of stroke and accident victims whose personalities have been affected by their injury.

Dr. Damasio described his ideas in a book called "Descartes' Error." The philosopher René Descartes held that morality, reason, language and spirit were held in the lofty brain whereas biology, emotions and animal instincts reside in the body, Dr. Damasio said. The new neurobiology of emotions seeks to overturn this false dichotomy.

Prostate Cancer: Too Few Studies

By Jane E. Brody
New York Times Service

NEW YORK — Despite complaints that women's health issues have been relatively neglected by medical researchers, when it comes to cancer of the prostate, the opposite argument can easily be made.

Breast cancer, the woman's disease that comes closest to it in incidence, death rates and age of onset, has been the subject of many well-designed clinical trials that have resulted in improved survival chances and a reduced need for mastectomy.

No such attention has been paid to prostate cancer, which will eventually strike 1 man in 11. This is a disease with a rapidly rising incidence, mainly as a result of advances in early detection, which are themselves controversial.

The death rate from prostate cancer has been steadily increasing, but there have been only modest improvements in treatments, which still leave a substantial portion of men with the devastating complications of impotence and incontinence.

This year, 38,000 American men will die of prostate cancer, which is especially lethal to black men in the United States. Another 200,000 men will face treatment decisions that cannot be based on definitive clinical trials because such trials, only recently begun, will not produce conclusive findings for a decade or more.

Treatment decisions — about whether to be treated at all and, if so, how —

remain up to patients to an extent that is found with few other conditions.

The patients must take into consideration complex issues like the extent and aggressiveness of the tumor, their current health status and life expectancy, the importance of full sexual functioning, the willingness to have frequent checkups and living with the knowledge that the body harbors a cancer.

Since the mid-1980s there has been an increase exceeding 600 percent in new cases of prostate cancer, largely because of the ever-growing use of a simple blood test called PSA, which measures an enzyme produced by the prostate gland. When cancer is present, the PSA level rises. The larger the tumor and the more aggressive its growth, the higher the PSA level gets and the faster it rises.

But the PSA level does not rise only with potentially lethal cancers. It can also indicate the presence of very small, slow-growing tumors that are unlikely to threaten a man's health during his remaining years of life.

Autopsy studies indicate that 40 percent of men over 50 unknowingly harbor tiny cancers in their prostates. Only one in five of these cancers will grow into a life-threatening cancer, but there is no certain way to know which will and which will not.

So when such a tumor is found during a man's life, he faces the distressing question of what, if anything, to do about it.

The choices include doing nothing at all; "watchful waiting," as urologists put it,

until and unless the tumor enlarges to a point where treatment becomes clearly advisable to stem its growth.

But while a tiny prostate cancer may be completely curable with radical surgery or radiation therapy, if treatment is delayed, the cancer could spread beyond the point of cure between periodic checkups.

On the other hand, if the man chooses radical surgery — prostatectomy — which is thought to produce the highest cure rate when the cancer is still confined to the gland, he risks permanent impotence, stress incontinence and, to a much smaller degree, complete incontinence.

AN alternative to surgery is seven weeks of radiation therapy five days a week, which also carries a risk, though smaller than with surgery, of causing lasting impotence and incontinence. In addition, radiation is considered less effective than surgery in achieving a permanent cure.

Finally, there is hormonal therapy, which involves removing the stimulating effects of testosterone on the prostate gland. This can be achieved by surgically removing the testicles or by shutting down testicular function chemically.

The hormonal approach buys time but does not cure the cancer. It is usually reserved for men whose tumors have spread and for those who, for health or other reasons, are unsuitable candidates for surgery or radiation.

Genetic Clues to Suntan and Cancer

New York Times Service

NEW YORK — Researchers have partly solved the mystery of what causes a suntan, and it is not a pretty picture.

Tanning happens when the body tries to excise and dispose of damaged genetic material, scientists reported. In the process, they said, the skin erects a

protective barrier that tries to stop sunlight from further destroying cellular DNA.

On a more positive note, the researchers said it might be possible to harness the process and to develop a lotion that would promote a tan without genetic damage — and without dyes that make skin look more orange than tan.

Possible new tanning lotions aside, the discovery is important because it provides insights on how human skin responds to damaging sunlight.

An estimated 700,000 Americans develop skin cancer each year, largely as a result of exposure to ultraviolet light, according to the American Cancer Society. 32,000 develop malignant melanoma, a lethal form of skin cancer that is being diagnosed more frequently all over the world.

The incidence of melanoma has doubled in the United States within the last 20 years, according to the National Cancer Institute. Among white Americans, the probability of developing melanoma is 1 in 88, according to the most recent cancer surveillance statistics compiled by the institute.

The new finding about the process of tanning is described in Nature magazine by Dr. Barbara A. Gilchrist, professor and chairwoman of dermatology at Boston University School of Medicine, and her colleagues.

It has long been known that tanning is the body's major effort at protection against sun damage, Dr. Gilchrist said. But the process itself in some people can lead to cancer.

Part of the key to the paradox lies in the steps leading from sun exposure to suntan, which were not known until now. The

new research unlocks an important piece of the puzzle, she said.

The first step is that sunlight penetrates the upper layers of skin, Dr. Gilchrist said. Ultraviolet radiation, which is highly energetic, bombards the basic units of DNA inside skin cell nuclei, causing many of them to fuse into nonfunctional fragments. The process of repairing such errors can go awry and lead to cancer, she said.

Once this damage occurs, the cell nucleus releases repair enzymes that snip out the damaged DNA fragments, Dr. Gilchrist said. The enzymes then help generate new DNA to replace the damaged fragments.

The tanning response is initiated by this cutting process, Dr. Gilchrist said. The fragments and enzymes somehow stimulate pigment cells, found in upper layers of the skin, to produce melanin, a black substance that absorbs ultraviolet light.

Melanin is distributed throughout the upper skin layer in caps like little umbrellas, she said. Its role is to protect the DNA in lower layers of skin cells.

The signal by which sunlight stimulates melanin to pour out of pigment cells is unknown, Dr. Gilchrist said. But the DNA repair enzymes greatly speed up the process.

Sandra Blakeslee

Breakthrough Math Technique

By Curt Supple
Washington Post Service

WASHINGTON — Two physicists have devised a revolutionary mathematical technique that makes many problems in four-dimensional space far easier to calculate and may ultimately help explain one of the most vexing questions in physics: How the elusive subatomic particles called quarks combine to form protons, neutrons and other components of solid matter.

Edward Witten of the Institute for Advanced Studies in Princeton, New Jersey, and Nathan Seiberg, a Rutgers professor, recently found a way — called "supersymmetry" — to convert four-dimensional equations so complex that they could be solved only partially on supercomputers into a two-dimensional form that can be calculated with pencil and paper.

"It's a real breakthrough," said Rutgers physicist Stephen Shenker. "A year and a half ago I would never have dreamed that results of this power could be obtained."

Mathematician Sylvain Cappell of the Courant Institute of Mathematics at New York University, who is visiting at the institute this semester, said that "it radically simplifies our understanding of four-dimensional geometry and makes it possible

for us to attack whole new problems in it."

Solving equations that involve four dimensions — such as three spatial dimensions plus time, which happens to be the way our physical universe is constructed — is remarkably difficult. "You can think of dimensions as corresponding to numbers of variables in a problem," Dr. Cappell said. "Two variables make a graph. Three make a three-dimensional shape." However, "almost all real problems in real life involve many variables." Low numbers of dimensions have the advantage of simplicity: Results can be easily visualized. High numbers allow for constructing complex relationships. But four, Dr. Cappell said, "is too high to be able to see everything and too low to be able to carry out big constructions. It falls in between."

It also poses difficulties for certain kinds of calculations — especially those in which the order of operations is important. When adding 4 and 5, for example, it doesn't matter whether it is done as 4+5 or 5+4; such results are said to be commutative. But when the math involves, say, rotating a multidimensional object in various ways over time, the order of events can be critical. Procedure A followed by procedure B may not produce the same result as B followed by A.

As Dr. Seiberg noted, "Our world is four-dimensional. Time is the fourth dimension. [Subatomic particles] can move around and the motion is something that takes place in time."

In particular, such equations are necessary to describe a key element of the so-called standard model of particle physics. That theory assumes that heavy nuclear particles such as protons and neutrons are made up of various combinations of quarks — elementary particles that come in six types and three "colors." The mathematical rules whereby the different kinds of quarks are thought to combine, as well as the ways in which they are affected by the particles whimsically named gluons that carry the strong force (one of the four fundamental forces of nature, along with gravity, electromagnetism and the "weak" force involved in radioactive decay), have been formulated for decades.

Unfortunately, the equations describing those relations are virtually impossible to solve. For example, not only does the force between quarks increase as the distance between them increases, but the gluons themselves are constantly influenced by alterations in the force field they create. Trying to calculate how these maddeningly interconnected entities change over time is, in the words of one senior particle physicist, "a mess."

THE NEWSPAPER OF RECORD FOR THE INTERNATIONAL MUTUAL FUND INDUSTRY

Listings - Daily ★ Money Report - Weekly ★ Fund Performance Focus - Monthly

REACHING PERSONAL INVESTORS IN OVER 180 COUNTRIES

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

صكنا من الامم

Germany's M

European Union

Transitions / Soul-Searching

Along With Growth, A Shifting Identity

The questions that face Europe are not only difficult to resolve, but also awkward to define. This is because the definition depends largely on how Europe sees itself.

Should Europe dig deeper before it spreads wider? Should it do the opposite, or both at the same time? Is Europe above all a market, or does it have a soul?

The entity now known as the European Union began with a vision; since then it has often functioned like a bad-tempered working party. "Its whole history has been made up of a succession of crises followed by bursts of progress," commented former French President Valéry Giscard d'Estaing at a recent meeting on the Ecu organized by France's financial futures exchange.

Just a state of mind?

Starting from its treaty origins in the mid-1950s, the EU has developed a set of institutions that in many ways resembles the trappings of a sovereign state. These include a directly elected parliament and a court of justice, not to mention a star-spangled flag, a hopeful anthem and a standardized passport. Thanks to EU directives, money, goods, services and workers are free to move around the EU.

Yet if a reporter were to travel around the EU asking people in what entity they lived, it is unlikely that many would answer "Europe."

Moreover, only a small percentage of EU citizens opt to live permanently in another member state.

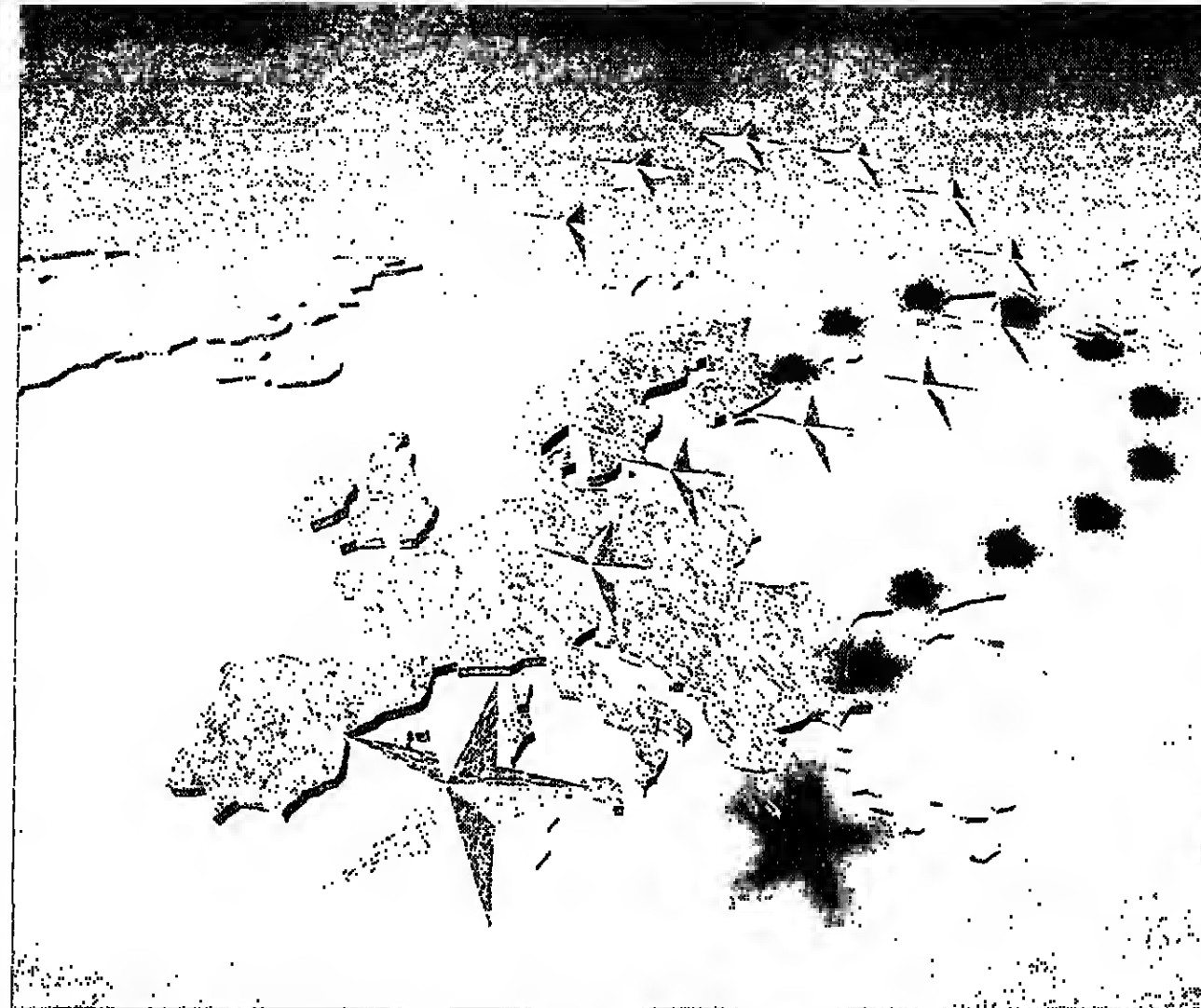
Some Europeans do not even think of themselves primarily as citizens of the nation state they inhabit. When Barcelona was advertising its Olympic games a few years ago, the city fathers must have puzzled the wider world by informing it that Barcelona was the capital of a country called Catalonia.

The rise of regions

Yearnings for regional autonomy may make it harder for the governments concerned to meet the convergence requirements of the Maastricht treaty. Yet, paradoxically, a federal Europe could also boost the power of regions in relation to national governments. Jordi Pujol's "Generalitat" in Catalonia is not the only regional authority eager for direct funding from Brussels and more scope in which to weave cross-border networks.

As the EU grapples with internal doubts and inconsistencies, it is also under pressure from two main external forces. One of these is the need to compete in world markets, which will become freer and more demanding as a result of the latest GATT round and the creation of the World Trade Organization.

The other is the defense headache posed by turbulence in Eastern Europe and war in the former Yugoslavia. The growing reluctance of



What's in the stars? Like most evolving entities, the EU is still in the process of defining itself.

the United States to continue shouldering the major part of this responsibility adds further urgency to the EU's moves to establish a workable common security policy.

Beyond economic issues

"The strategic issues that now face Europe's leaders are much vaster than the

deals on economic cooperation that they were able to play around with between the end of the Second World War and the collapse of the Berlin Wall," argues Jonathan Story, professor of international economics at INSEAD, the French business institute. "If these are to be addressed, EU member

states can no longer afford to indulge in their little backyard squabbles."

Economic and military pressures may both bring Europeans closer together, but each of these suggests a different sort of Europe. The first will tend to break down internal frontiers in the search for strategic business

advantages and economies of scale. The second emphasizes national military capabilities and the older relationships between big nations and small ones. Is Europe capable of simultaneously waving its flag to discourage conflict while beating the drum for trade?

Michael Rowe

Partnerships / Forging Alliances

The Underlying Ties That Bind the Union

France and Germany — each for its own reasons — have long been the main partners in the scheme to bring about economic and monetary union in Europe. But as the date to consummate this union approaches, France is casting a wary eye on Britain.

"The French have no wish to find themselves in a permanent tête-à-tête with the Germans, and we would very much like Britain to join us wholeheartedly in the movement toward European Union," comments Jean-Daniel Tordjman, France's ambassador at large and head of the Invest in France bureau. "The German alliance is important, but a counterweight to German economic strength would also be valuable."

Historically, Britain has been wary of European entanglements, and it still seems to see the Continent essentially as an interesting foreign market. French decision-makers, on the other hand, quickly latched onto the European idea as an extension of French domestic policy. Germany — economically dominant, but psychologically reluctant to exercise its full political clout for several decades after World War II — found the French alliance useful.

A change in dynamics

Now there is a new situation. The collapse of the East/West divide has brought about a unified Ger-

man nation of more than 80 million people, together with a rash of new candidates for EU membership. As a result, the Union's boundaries are already expanding northward, and are set to expand to the east as well.

"German people wonder what is happening to them, but at the same time they feel the weight and strength of their new situation," says Bruno Leblanc, director of Europäische Wirtschaftshochschule (EAP group) in Berlin. "The prevailing trend in German politics still leans toward European integration, though there are now strong intellectual currents in favor of a more national-based approach. I would liken these latter to a German form of 'Thatcherism' rather than to the more extremist trends that are sometimes depicted in foreign press articles."

Lingering ambivalence

Against the background of American politics and war in Bosnia, Britain and France have recently been making modest efforts to boost their cooperation in military matters. Joining in the single currency is a very different issue, and could hardly be contemplated in Britain's current political situation. Whether the fear of marginalization in Europe's business and financial markets could lead to a change of view in the long term remains to be seen.

Continued on page 11

Good ideas travel faster when barriers fall.

The drive toward economic integration in Europe is welcome news to many providers of products and services, especially those who stress high quality and reliability. They know that in the long run, good ideas will gain a competitive edge as boundaries fade away.

One good idea that is already widespread and growing on a European scale is the Pfandbrief, a concept that dates back 225 years to the time of Frederick the Great. In a number of European countries, Pfandbriefe have proven themselves as reliable instruments in their own capital markets.

In Germany, the Pfandbrief — a special variation of a very European product — is a low-risk bond issued to finance mortgages and loans to the public sector. Pfandbriefe account for nearly 40 % of the entire DM 2.7 trillion German bond market. And as cross-border trading in Europe grows, German Pfandbriefe are attracting increasing attention among international institutional investors.

Pfandbriefe have a potentially significant role to play in further harmonizing the European capital market. It is in this spirit of integration and harmonization that good ideas can flourish and open new perspectives for economic prosperity in the future. As political leaders meet this week in Essen, good ideas will again be needed to help create an environment that fosters new opportunities for healthy expansion across borders in Europe and beyond.

Germany's Mortgage Banks

Deutsche Bank, Wiesbaden • Bayerische Vereinsbank AG, München • Hypo-Bank, München • Deutsche Hypothekbank Frankfurt AG, Frankfurt • Rheinbank, Frankfurt • Deutsche Genossenschafts-Hypothekbank AG, Hamburg • Frankfurter Hypothekbank AG, Frankfurt • Deutsche Zentralbankkredit-AG, Köln • Bayerische Handelsbank AG, München • Westbank, Dortmund • Berlin Hyp, Berlin • Süddeutsche Bodenkreditbank AG, München • Münchener Hypothekbank eG, München • HamburgHyp, Hamburg • Württembergische Hypo, Stuttgart • NürnbergHyp, Nürnberg • Hypothekbank in Essen AG, Essen • Deutsche Hypothekbank (AG), Köln • Hannover • Braunschweig-Rannoverische Hypothekbank AG, Hannover • Allgemeine Hypothekbank AG, Frankfurt • Rheinboden Hypothekbank AG, Köln • Lübecker Hypothekbank AG, Lübeck • Nordhypo Bank, Hamburg • BfG Hypothekbank AG, Frankfurt • WL-Bank, Münster • Hypothekbank in Berlin AG, Berlin

European Union

Exports / Impetus for Growth

Economic Building Blocks

One of the main engines fueling European growth over the past two years has been exports. But there are now signs that the European Union's economy is shifting from an export-led to a domestically driven economy.

The export boom was largely born from increased competition among EU states to reap sales in booming East European, Asian and recovering U.S. markets, as well as among themselves. It has resulted in a handsome narrowing of the Union's trade gap with the rest of the world, and the emergence of healthier economies.

Shrinking trade gap

In 1993, the trade gap narrowed by 50 billion Ecus (\$61 billion), following a 10.6 percent surge in exports and a 0.8 percent fall in imports. According to Union officials, the EU trade deficit shrank to 1.4 billion Ecus in 1993.

Germany was one of those that exceeded regional export totals. In the first quarter of 1994, its exports to the United States, Eastern Europe and Asia rose by over 15 percent over the same period in 1993.

EU countries are also emerging among the top-ranked foreign investors in many developing countries. In the first quarter of 1994, for example, Britain, Germany and the Netherlands led the race to pump funds into India. All three were well ahead of the United States, which led the list in 1993. Britain and Germany retained their lead over Japan, which has heavily increased investment activity in the region.

But European money is also playing an increasingly major role in the developed world as well. Last year, European funds, for example, accounted for a massive 40 percent of the total foreign investment received in the United States.

While Union officials expect economic ex-

pansion within the EU to continue to be underpinned by strong export growth, in the long run they predict that the gains in international export market share made by the Union in 1993-94 will recede.

Strong export growth

Last year was exceptionally good for the EU. With the Union's total export growth figures up by 10 percent over 1992, the biggest gains were Ireland, with 37 percent growth; Greece (23 percent); Belgium and Luxembourg (19 percent each); the Netherlands (18 percent) and Britain (15 percent).

While the rate of expansion of exports of goods and services is expected to be 8 percent by the end of this year, the EU's outgoing economics commissioner, Henning Christophersen, predicted in late November that it would continue to decelerate marginally to what he terms a "still high" 7 percent in 1995-96.

Investment spillover

Europe's export growth to date has, however, been the key factor in fueling its economic growth. The initial strong impulse from buoyant exports has spilled over to bring an investment revival, particularly in machinery and equipment, and an equally strong impulse to retool.

In addition, the improved climate has also led to a revival in construction and to a gradual growth in private consumption.

Mr. Christophersen predicts that the Union's economy will, in fact, progressively shift from an export-led to a domestically driven dynamism over the next few years.

Investment in equipment is expected to undergo the most brisk revival, rising, according to EU predictions, from the 2 percent growth rate recorded this year to around 7 percent to 8 percent in 1995-96.

Anna Francis



In the pipeline: more integration of infrastructure in order to share the costs of energy transport.

Energy / Increased Self-Sufficiency

Also Due to Expand: The EU Natural Gas Grid

While competition, price transparency and third-party access have been preoccupying Brussels, oil and gas producers and gas transmission companies have been acting together to ensure Europe's security of supplies — in their view the top priority in assuring a free flow of energy on competitive terms. This has brought them closer together in a world where political turn-arounds and oil crises are regularly experienced.

Europe's highly integrated gas grid reflects the developments and growing energy demands of an expanding European Union. With Norwegian gas now flowing through France to Spain, and likely soon to flow through Eastern Germany to Poland and the Czech Republic, Europe has achieved a well-balanced supply policy, with roughly one-third of its gas coming from Russia, one-third from Algeria and one-third from Norway.

Starting financial risk This integration effort should increase as the EU welcomes Austria, Finland and Sweden as new members — although Norway has chosen to remain outside. With its

considerable energy resources, oil, gas and hydroelectric power, Norway has become the chief European energy supplier. In spite of the environmental acceptability of gas, it is the financial risk in building infrastructure capable of carrying fuel over thousands of kilometers from Norwegian offshore fields that is the driving force behind the integration of the European energy grid.

Risk-sharing between buyers and sellers has become a necessity, but this also entails sharing the rewards in a European market — set to double its consumption from a current 260 million tons of oil equivalent to up to 400 million tons by 2010. Projects are numerous, but among the less risky are those located within Europe. Britain and Norway are both about to make important pipeline decisions that should strengthen and further integrate the European energy grid.

The Interconnector A \$460 million project to link Britain to Belgium's southwest coast to Zeebrugge in Belgium, called the Interconnector, is one of these projects. Seven companies, among them multinationals and British and Norwegian part-

ners, have signed on to form a new gas-transport company. This prestigious project will make Britain a net exporter of gas to the Continent from 1997 until the time when the flow needs to be reversed in order to fill the demand/supply gap in Britain, perhaps as early as 2010. Norwegian, Russian or even Algerian gas could then flow back through the Interconnector.

Indeed, bringing more gas to Europe from both Russia and Algeria is possible. Links already exist in the east to carry Russian gas from Orenburg into Germany and France, while Algerian gas feeds into Italy through a complex of pipelines that crosses the Messina Strait to Sicily.

Furthermore, the 1,370-kilometer (850-mile) Europe-Maghreb trunk line, due to become operational in 1997-98, will link the Algerian Hassi R'Mel field to Spain. As much as 40 percent of the \$2 billion investment is being financed by the European Investment Bank. The European Union considers itself directly concerned by this trunk line, for which an extension inside the Union is already envisaged at a later stage.

The identity crisis currently being experienced by Algeria has led major buyers to ask if the Islamic fundamentalist movement could destabilize the national company Sonatrach, jeopardizing the free flow of Algerian supplies to Europe.

Out of Siberia In the meantime, new supplies of cheap Russian gas are being presented to the European gas market. But what exactly does "cheap gas" mean, when it has come all the way from the Yamal Peninsula in Siberia? A pipeline project estimated to cost \$40 billion in the initial stage but as much as \$100 billion in its entirety hardly suggests "cheap gas." The Yamal project, now declared technically feasible in spite of the challenges presented by permafrost, still remains a misty venture in terms of funding.

At the turn of the century, the Yamal gas would already be flowing into Poland, which has ratified an intention agreement with Russia. The project will require Western capital in order to get off the ground, with some sources implying that Russia still needs to sort out its business notions with Western coun-

tries before investments can be decided upon.

More trunk lines

This situation clearly gives an advantage to Norway, which is currently discussing where "Europe 2," its fourth gas trunk line to the Continent, should land. Landing sites in France, Belgium or the Emden terminal in Germany are being considered, while a fifth gas trunk line is also possible in the future.

Meanwhile, the two Norwegian producers, Statoil and Norsk Hydro, have joined with the two German transmission companies, BEB and Hultgas, to form a new transmission company, NETRA GmbH. NETRA will build another pipeline link in Germany to carry additional volumes of Norwegian gas to Eastern Germany and, in the longer term, to the emerging markets of Central Europe.

This latest step, formalized in October, reflects the wish of producers and transporters to further integrate their upstream and downstream activities with a view to better sharing the risks of huge infrastructure investments as well as the rewards of establishing a reliable gas market.

Annick Lia

1995 Conference in Berlin Will Continue Rio's Work

"Rio II" turns out to be a fitting name for the conference that is taking place in Berlin from March 28 to April 7, 1995. "Rio II" is also easier to employ than the event's proper name: the First Conference of the Signatories of the Convention on Protecting the Climate.

The nickname is fitting because the late March event will strive to continue the work of the earlier environmental summit by coming up with concrete measures for immediate implementation. By doing so, the event will really live up to the criticisms most often made of the UN's Conference on the Environment and Development, as 1992's Rio I was officially known. To its critics, the conference produced only a vague collection of platitudes and no progress on a tangible improvement in the world's environmental situation.

Rio II is set to produce an agreement on remedying the problems afflicting the world's atmosphere. Exactly what will be in the agreement is still to be seen. It is expected that the agreement will be a landmark in the history of international environmental law, and that it will be a step towards a more integrated approach to environmental protection.

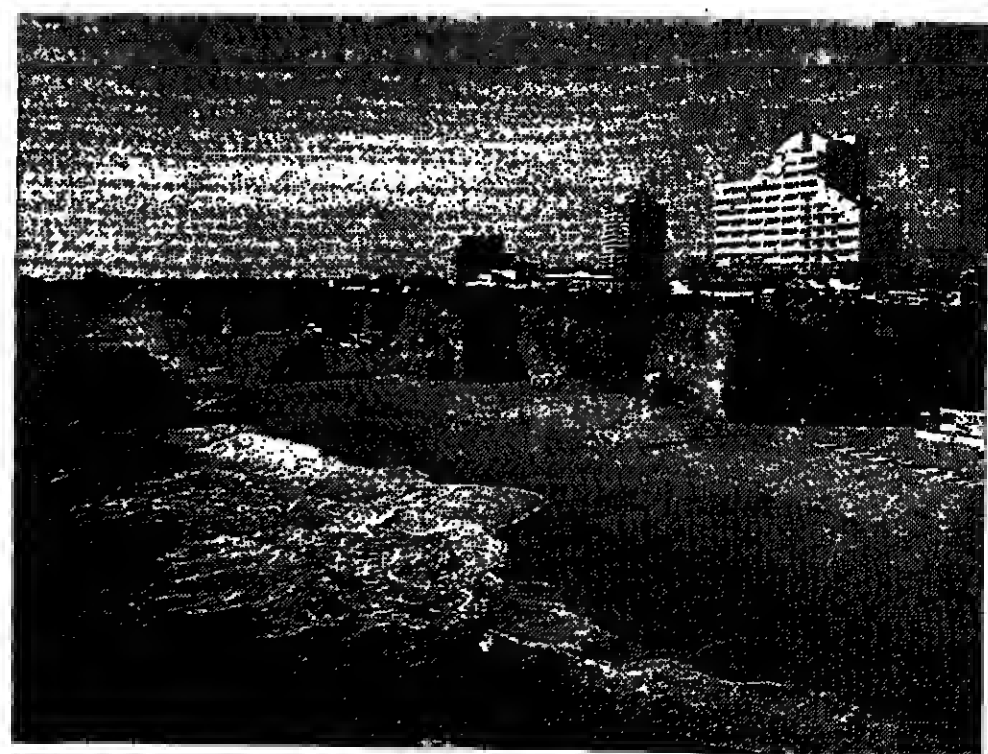
through the EU summit in December 1994.

To date, Germany's proposals have been informing the discussions at the various meetings. The Germans want the Rio II nations to agree to undertake concrete measures leading to a reduction of their levels of carbon dioxide to those prevailing in 1990. These measures include decreasing fuel consumption by automobiles and heating plants and avoiding unnecessary transport and travel. The EU's of the German proposals is the only one that has been discussed in the context of carbon dioxide.

In launching these initiatives, Germany can point to its own example. The country has reduced its total emissions of carbon dioxide by 15.7 percent over the last six years.

As the country's new environment minister, Angela Merkel is quick to point out, nearly 70 percent of the emissions from Eastern Germany's switch to less polluting forms of fuel and the dismantling of

plants will be covered by the EU. The EU's contribution to the work of Rio II is to be seen in the progress made towards a more integrated approach to environmental protection.



On the beach: fighting the good fight for the environment.

Lisbon. No fewer than nine groups, each including an important foreign company, competed for the contract, which was awarded to a consortium led by Generale des Eaux de France.

The level of interest in a small municipal water service in Portugal is understandable. Officials at Banco Cist, a Portuguese investment bank, estimate that 1 billion escudos (\$6.36 billion) will be invested in the country's water sector between 1994 and 1999. A total of 300 billion escudos will go into high-pressure water supply networks, of which 240 billion will be supplied by EU and

Portuguese government grants. About 700 billion escudos will be spent on low-pressure distribution systems, with 300 billion being provided in aid. Similar projects are under way in various sectors of environmental improvement and protection throughout the poorer countries of Europe.

Portugal's green agenda Reflecting Southern Europe's concern about protecting natural assets, Portugal unveiled a National Plan for Environmental Policy in November. Backed by a budget of 100 trillion escudos,

about half provided by the EU, it determines objectives to the end of the century and delineates the most important projects to be undertaken.

Teresa Gouveia, Portugal's minister of environment and natural resources, says important aims of the plan are to encourage productive sectors of the economy to make environmental concerns an integral part of their business strategies, improve coordination of environmental protection with territorial planning and make the protection of natural assets a national concern.

Peter Wise

GERMANY

If your corporation is looking for a foothold in Germany or intends to broaden its existing base by an acquisition, we can assist in search, approach and negotiation.

As our domestic clients are usually entrepreneurs, proprietors or shareholders of privately-owned German companies, we are well acquainted with their mentality. We are sensitive to this when making approaches and during negotiation and valuation.

If local competence is needed to realize your acquisition goals in Germany successfully, please contact us for further information.

FUCHS CONSULT

Kreuzberger Ring 64 • 65205 Wiesbaden
Telephone: +49 611 70 00 40 • Fax: +49 611 70 04 04

Environment / The South's Priorities

Mediterranean Countries Seek a Greener Alignment

Visitors love to swim at southern Europe's golden beaches and drink in the fragrant air, envying free from the pollution of the more industrialized north. But they often think twice about drinking the local water, and may be far from impressed by sanitation conditions.

This is the crux of the environmental problem for less-developed European Union members such as Greece, Portugal and Spain. Their air, seas, rivers and countryside are relatively unspoiled — apart from notorious exceptions like the smog-bound center of Athens and parts of the Mediterranean.

But many homes do not yet have access to running water or sewage facilities. Where water is available on tap, it is often of an inferior quality and expensive. In Portugal, the EU's most backward member in this respect, only 60 percent of homes have running water, and even fewer are linked to sewage systems.

Profiting from hindsight Governments are confident that environmental lessons learned with hindsight in Northern Europe can be applied less painfully in the south. A high level of investment, largely supported by EU structural funds, is being mobilized to help the region

cope with existing difficulties and eliminate the risk of others emerging.

Investment is being channeled in two directions. Preservation and protection is a priority. The poorest EU members possess some of the most undisturbed natural habitats in Europe. But such areas are highly vulnerable because of the strong pressure for industrial development in these countries and the lack of financial and administrative resources to protect them.

Sustainable development The effort to protect environmental assets reflects the principle of sustainable development that was emphasized at the 1992 Earth Summit in Rio de Janeiro, Brazil. The tenet is that lasting economic progress is based on the maintenance and improvement of natural capital stocks, such as clean water, fertile land and safe energy supplies.

Preserving the quality of the environment is a pressing concern for countries such as Greece, Ireland, Portugal and Spain, where tourism is a vital component of national revenue. It also has an immediate bearing on efforts to attract inward investment and on the marketing of agricultural and other products. Portugal's mid-Atlantic Azores archipelago, for

example, is making the pristine quality of the islands' environment an important competitive advantage for its cheese and other dairy goods.

"Except for a few black spots where action is being taken, we believe the quality of Portugal's environment is almost unrivaled within the European Union," says Ascenso Pires, Portugal's director-general for the environment. "Our overriding concern is to preserve that quality, both because of its intrinsic value and because of the competitive advantages it offers our economy."

Playing catch-up

If one main drive of Southern Europe's environmental investment is toward preserving qualities that the north has to a large extent lost, the other is aimed at catching up in areas such as water distribution, sewage systems, waste management and land reclamation, where more developed countries are considerably more advanced.

Stakes are high in the competition for the contracts and concessions being awarded in the development of such infrastructures and services. This was reflected in the recent privatization of the municipal water services of Mafra, a town of only 26,000 consumers, 30 kilometers (18 miles) north of

European Union

Banking / Breaking Down Borders

Migratory Financial Products

Rather than setting up branch operations in other countries, Europe's finance houses are using cross-border electronic systems to enter hitherto closed national markets and to offer products and services directly, on-line, to European Union consumers.

The result has been a belated, indirect realization of the single market's aim of increasing access to financial products and lowering the costs of financial services.

While many of the EU's national banking communities enaunce themselves behind a wall of high fees, a number of pioneer banks have been using standard on-line technologies to effect a revolutionary reduction in the costs of conducting transnational business in Europe.

Cause and effect

In early October, Germany's Handelsblatt financial daily announced that "EU bank transfers are getting more and more expensive." It reported that these transfers now cost an amazing 25 percent of the total transfer amount, a full 2 percentage points more than last year. The source of these figures was the European Commission itself, which chastised those charging the exorbitant fees, saying that they fly in the face of the spirit of the single market.

A concurrent headline in Munich's Süddeutsche Zeitung announced that a consortium of four leading

European banks had put the Continent "on the way to real-time banking." The new Inter Bank On-Line System (IBOS) will provide bank customers at 2,000 outlets in Britain, Spain, France and Belgium with a way to instantaneously and inexpensively pay international bills or transfer funds on a point-to-point basis. This provides an alternative to the SWIFT system, which routes all transactions via a central clearing-house and is thus relatively expensive.

In subsequent moves, several major American banks active in Europe have announced their intention to link up with IBOS. Germany's trade papers are speculating that the country's Landesbanken (state-level, public-sector-owned banks) are also jockeying to join.

Virtual bank accounts

Going IBOS one better, Standard Chartered Bank is now offering what amounts to the first "virtual account" to its customers. According to published reports, these customers first establish an off-shore account with the bank and then draw funds and conduct other transactions via a debit card and the nearest on-line automatic teller, no matter what country the teller happens to be located in.

The retail stocks and securities sector is also undergoing changes. Until recently, private investors in Europe wishing to purchase stocks not registered in their home countries often had to rely on

sending checks and binding orders to correspondent brokers and other relics from the Age of Paper, or on purchasing "country funds." In the United States, these mutual funds are sold at a discount and without any handling charges, but most of Continental Europe's brokers charge a hefty markup on them.

Screen-swapping

Enter the "extendible electronic trading floor." In this arrangement, an exchange (by way of example, Germany's Deutsche Terminbörse) allows foreign brokers to plug into its on-line transaction clearing and settlement system. In a popular variation, two exchanges simply "trade screens." In effect, this makes each exchange's broker a full-fledged member of both — all via electronics.

These technologies have been in place in Europe's interbank and interbroker sectors for some time. The only change has been to extend them into the retailing sector.

International products

Meanwhile, Europe's financial products have been doing quite well on the international front, thanks to the growing openness created by the single market. British and Danish fixed-rate deposits have become best-sellers in France and Germany. In turn, demand from abroad for Germany's 1,500 mutual funds has been intense, with foreign buyers representing the fastest-



Calculating the cost of conducting transnational business.

growing segment of this market, according to Germany's association of investment companies.

Backed by a Europe-wide marketing campaign, Germany's Pfandbriefe (mortgage bonds) have also been riding a wave of interest from abroad.

Non-German buyers are reported to partially account for the recent surge in the bonds' sales, which are now running 22 percent higher for the year.

Terry Swartzberg

New Members / The One That Got Away

A Hole in the Nordic Bloc

With four countries voting on whether or not to join the European Union, 1994 was seen as a crucial year for the EU's fortunes. A positive vote from the citizens of Sweden, Norway, Finland and Austria would show the world that the EU, in spite of the collapse of its ERM monetary framework and continuing recession, was still an attractive group to join.

Now the voting is over and the Union scored three out of four — not perfect, but satisfactory. Norway was the only country to vote against joining, by a margin of 52.2 percent to 47.8 percent, but then it was always the country most likely to say no, having done so once before, in 1972. European Commission President Jacques Delors has, however, left the door open for Norway, saying that after the intergovernmental EU conference in 1996, new applications would be considered.

Austria was the first of the four to vote, choosing "Yes" by a majority of two to one. Finland then held the first of what would be three referendums in quick succession across the Nordic region, on Oct. 16 voting to join by 57 percent to 43 percent. On Nov. 13, the Swedes came in with a 52.2

percent to 46.9 percent vote to join. Two weeks later came Norway's "No" vote.

This "No" affects two cross-border arrangements. The Nordic countries have long valued their close cooperation, but with Norway and Iceland now outside the EU, that good-natured relationship may be tested. Should conflicts arise, in which will EU members show greater loyalty? It also scuttles the idea of building a powerful Nordic voting bloc within the EU. Sweden's prime minister, Ingvar Carlsson, said he particularly regrets not being able to work with Norway on issues like unemployment and the environment within the Union, although Finland is certain to support initiatives on those fronts.

One issue both Sweden and Finland have pledged to take up is the strategy for the EU's decision-making process. Scandinavia has a tradition of open government and public access, and it will seek to spread that idea to Brussels. The region will also press for support to farmers and others in the sparsely populated northern areas. Finland's Prime Minister Esko Aho has called for a completely new EU policy to meet Arctic needs.

Keith Foster

The Underlying Ties That Bind the Union

Continued from page 9

EU member countries have agreed on their timetable for the establishment of a single currency, which could happen as early as 1997. Moreover, the European Monetary Institute — the precursor of the European Central Bank — is now installed on the top three floors of its tower block in Frankfurt.

Hardly any of the EU member states currently meet the Maastricht treaty convergence criteria, which have to be satisfied before they can join the proposed monetary union. Broadly speaking, these specify a maximum budgetary deficit of 3 percent of gross domestic product and government borrowing of not more than 60 percent.

Social costs

The welfare costs of the recent recession account for much of the problem. Recovery is under way, but EU governments are all finding it difficult to explain to their citizens why they now have to

cut back in sensitive areas such as pension provisions in order to meet the Maastricht criteria. The long-term competitive advantages that are supposed to arise from these sacrifices may look decidedly remote to men and women who have been paying their taxes and social security contributions for the last 20 or 30 years.

"In Spain, for instance, the government is cutting back at the national level but allowing expenditure by regional governments to continue," says Fernando Cortinas, economics professor at the Instituto de Empresa in Madrid. "In my view, it could well take another 10 to 15 years before European countries will be in a position to form a monetary union."

The equation is further complicated by the rising tide of applications for membership. The arrival of Sweden, Finland and Austria, whose economies are broadly similar to those of current EU members, poses relatively few problems, but applications from Eastern Europe and the Mediterranean stir

up more fundamental questions.

Union at any speed

"Ultimately, the Europe of the 12 is going to become 28 or 30," says Mario Tejo of the Institut d'Etudes Européennes in Brussels. "It will take many years before some of the new members will be in a position to join the central economic and monetary mechanism, yet they will all be represented in the EU institutions. This clearly calls for difficult reforms in the way the Union operates."

An obvious temptation in an enlarged and ever less cohesive Europe will be to slip back toward a looser association of member states. Some favor this idea already. The concept of a multispeed Europe in which the strongest and most willing members lead the way to closer union offers one possible alternative. This brings the focus back to a small cluster of rich nations at the heart of Northern Europe grouped around France and Germany.

M.R.



This is not a camel.

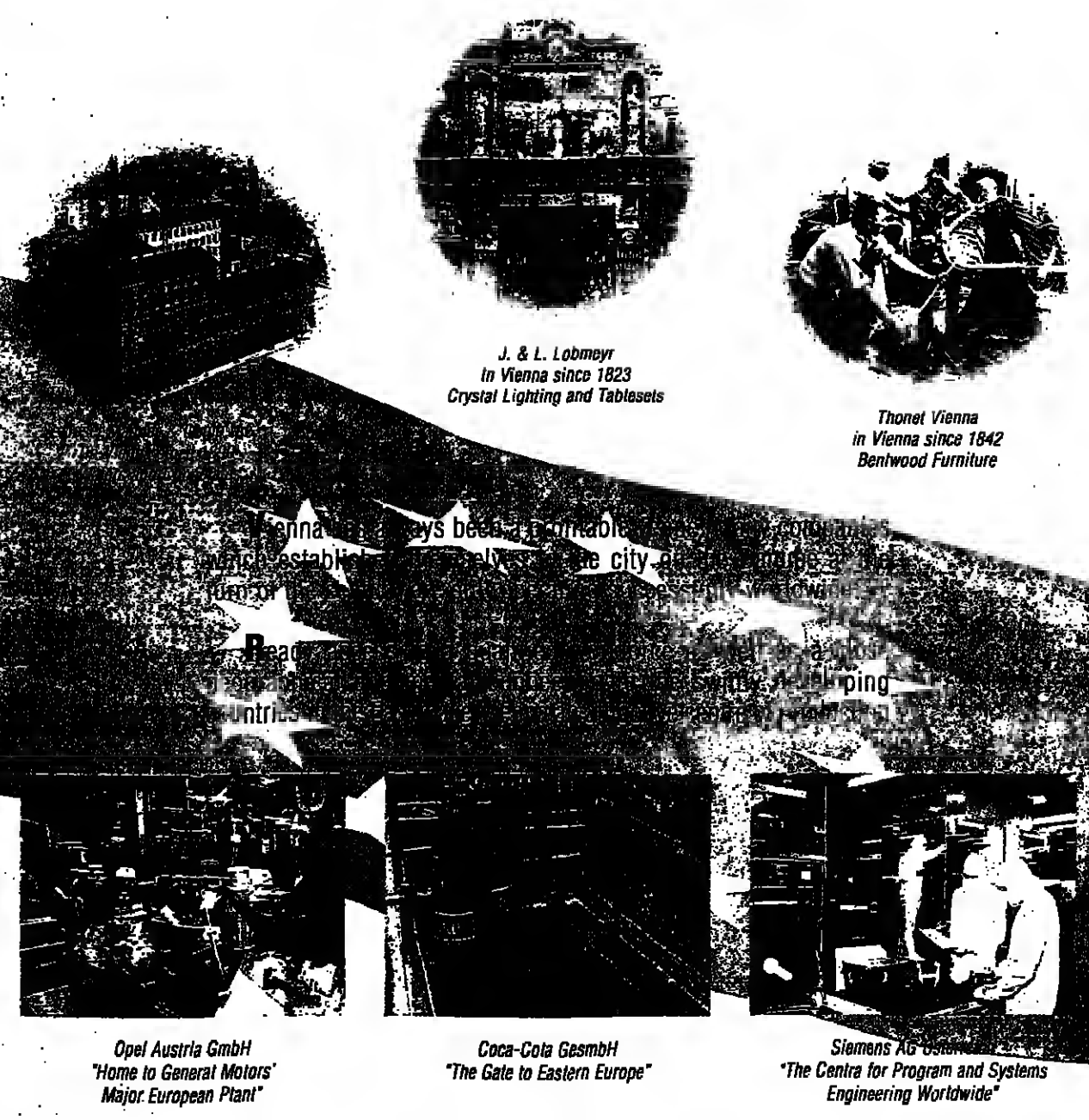
Not long ago, the European businessmen thought banking in the Orient was all about camels and merchants. A misperception? Not at all. Just a century ago, the small banking district in Istanbul — then the capital city of the Ottoman Empire — was crowded only with Europeans who knew their trade. But not any longer. Today, Istanbul is a centre of world banking and commerce. And Turkish bankers are talking CAMEL ratios, not camels.

If you would like to know where Turkish banking stands today, please ask how Garanti Bank figures on the CAMEL Rating System (Capital, Asset quality, Management, Earnings, Liquidity). As one of the pioneers of the dramatic change over the last half a century, we will show you how globally competent a Turkish bank can be.



63 Büyükdere Caddesi, Maslak 80670 İstanbul / TURKEY Tel. Fax: (90-212) 285 40 40 Telex: 27635 gati-tr
Contact person: Mr. Hüsnü Akhan, Executive Vice President.

IQ + ♥ = Vienna



J. & L. Lobmeyr
In Vienna since 1823
Crystal Lighting and Tablesets

Thonet Vienna
In Vienna since 1842
Bentwood Furniture

Opel Austria GmbH
"Home to General Motors"
Major European Plant

Coca-Cola GmbH
"The Gate to Eastern Europe"

Siemens AG Österreich
"The Centre for Program and Systems Engineering Worldwide"

and trade. It is mainly because of this last factor that so many East European corporations have their international head offices here. Times have changed — but Vienna remains Vienna!

Should you have queries or require any information on the business location of Vienna, please contact the information centre at the

VIENNA BUSINESS PROMOTION FUND, Ebendorferstrasse 2, A-1082 Vienna, Tel.: +43 (1) 4000-85794, FAX: +43 (1) 4000-7070

VIENNA BUSINESS PROMOTION FUND

SEA 4.715



We've created the platform for successful investment in Eastern Germany. Now it's up to you.

In just four years since reunification, the former East Germany has become one of the most attractive locations in Europe for international investors. One of the prime reasons is its new and advanced telecommunications infrastructure, the most sophisticated in the world. And the speed with which Deutsche Telekom has put it all in place is in itself a feat of engineering unparalleled in the world of communications. Currently, no fewer than 100,000 new telephone lines are being connected every month – over twenty times more than in the old German Democratic Republic. The telephone infrastructure for Eastern German industry is already fully established. 75% of all local networks have been completely overhauled. Data lines are now available in every area. And the same applies to mobile networks, radio, television and, from 1995, ISDN – the new nervous system of European industry. In high-performance fiber optics technology, Eastern Germany even leads the field. As the world's first network operator, Deutsche Telekom is bringing fiber optics right to its customers' doorsteps in the eastern part of the country. So a sound basis has been created for a secure and successful future. Now it's up to investors to make a shrewd decision on where to set up business.

Telecommunications made in Germany. We tie markets together.



Deutsche
Telekom

صكنا من الامل

European Union

Lobbying / Earning Legitimacy

The Rise of EU Lobbyists

Professional political lobbying in the European Union is coming of age. Long regarded with disdain by Continental European businessmen, lobbyists are at last winning respect in boardrooms throughout the EU.

The idea of farming out lobbying to external consultants reached Continental Europe from across the Channel and, earlier, from across the Atlantic. In the United States, political lobbyists are a major force in government — so much so that Congress is regularly lambasted for being in thrall to special-interest groups employing high-powered consultants.

In Britain, lobbyists carry less clout, but their power is waxing. The defeat in early November of government plans to privatize the Post Office is widely attributed to effective lobbying by the postal workers' union.

On the Continent, political lobbying has been no less intense, but more discreet. In Germany, powerful trade associations still rule the roost. In France, Italy and Spain, huge swathes of industry have historically been under state control. Lobbying was often little more than a matter of a few well-placed telephone calls.

A la française
In France in particular, an elitist educational system

binds industrialists and politicians together. The so-called *énarques* (former students of the Ecole Nationale d'Administration) or *polytechniciens* (former students of the elite *écoles polytechniques*) rarely need professional lobbyists to communicate with one another.

But the picture is changing. "Lobbying is now well-established in the Netherlands and is developing very rapidly in Belgium and France," says Simon Gentry, a senior account executive at European Strategy, one of the leading British firms of political lobbyists active in Europe.

This trend was well-illustrated by the experience of Compagnie des Machines Bull, the French computer manufacturer. When Bull decided earlier this decade that its survival depended on a capital injection of 4 billion francs (\$740 million) from its main shareholder, the French state, it had to square the deal with the European Commission. To help it do this, Bull hired GJW Europe, the Brussels arm of GJW Government Relations, a leading British firm of political lobbyists.

The European Commission approved the capital injection, plus 2.68 billion francs in additional grants, in July 1992. Before long, Bull was back for more — a further 11.1 billion francs in aid was approved by the Commission in October this year.

Competition policy has long been a major battleground between industry and politicians in the European Union. Mergers, joint ventures and state aid are often hotly contested, as lobbying consultants promote the commercial interests of their clients. Other contentious areas of policy-making include environmental legislation and employee-protection legislation.

More votes to sway
Recent changes in the European Union have generated even more work for lobbyists.

The expansion of the EU eastward into Austria and northward into Scandinavia is making it harder for firms to influence votes in the Council of Ministers; no longer are one large country and two small ones sufficient to block legislation. "We are all very busy at the moment," says Patrick Brooks, a director of GJW in Brussels.

A major source of debate among Brussels lobbyists is



Friends, Europeans, Commissioners, lend us your ears.

where power will be concentrated over the next five years. The departure of Jacques Delors at the end of this year as president of the European Commission is widely expected to end an unprecedented period of centralization in Brussels. "The Commission will probably be much weaker in the long term," predicts Mr. Gentry. "For the next five years, Europe is going to be

going through an intergovernmental phase."

The governmental angle
Mr. Gentry is not alone in arguing that an office in Brussels will not be enough to win arguments in the new, enlarged European Union. Lobbyists need to pay more attention to putting their case across to member state governments on their home ground, he says.

This creates obvious difficulties for even the most well-resourced lobbying firms. The cost of maintaining offices in every capital of every member state in the European Union would be prohibitive. At present, nobody even tries; all the leading firms rely heavily on correspondent relationships with other lobbyists or with law firms around Europe.

The strength of these relationships is likely to be tested to the limit in the years to come. "Eighty-five percent of measures adopted by the European Union start in the member states," says GJW's Mr. Brooks. "The most successful kind of lobbying is stopping something from starting."

Code of conduct
One potential brake on the success of professional lob-

bysts around Europe is their poor image in some countries. In an effort to distinguish themselves clearly from the "cowboy" outfits so often said to lurk in the back streets of Brussels, a group of the leading firms recently promulgated a code of conduct. They included the U.S. Hill & Knowlton and British firms Charles Barker, GJW and European Strategy.

William Pitt

Eastern Europe / Patience

The Visegrad Four: Waiting for the Call

When Jozsef Antall, the Hungarian prime minister at the time, predicted in 1990 that Hungary would be a member of the European Community in 1995, his forecast did not sound entirely unrealistic. But with 1995 just around the corner, it is clear that for Hungary, as well as Poland, Slovakia and the Czech Republic, joining the EU is still a long way off — despite their associate membership status and applications for full membership.

Economists agree that the transition period from planned to market economies in Eastern Europe has taken much longer than was anticipated at the start of the political reforms — and is still by no means over. In the four Visegrad countries — the term refers to a cooperative agreement signed in that Hungarian town in 1991 — privatization is only 50 percent to 60 percent complete, and currencies are not yet convertible. Many loss-making, state-owned companies are still in dire need of restructuring. According to Professor Richard Baldwin, author of the recently published book "Towards an Integrated Europe," the biggest obstacle is the lack of experience. "These countries are being run by people who had no idea about how a government runs a market economy until five years ago," he says. "The human capital is missing because it hasn't had time to develop."

Fulfilling the prerequisites

In Hungary, further hardships for the population are expected as the new Socialist-Liberal Democrat coalition government tackles the gaping central budget deficit.

The Czech Republic, which has so far experienced a relatively smooth transition period, is expected to undergo major economic restructuring when the currency is made convertible — probably next year.

Slovakia is struggling with political instability and the legacy of an obsolete armaments industry. Foreign direct investment has slowed down, and growth is sluggish. Poland, by far the largest and therefore the most important market for the EU, is experiencing industrial growth and increasing foreign investment, but at the same time is fighting escalating wages and inflation.

In some respects, however, the Visegrad economies are more developed than those of some EU member countries: GDP per capita, for example, is lower in Portugal than in Hungary or the Czech Republic. Inflation is lower in the Czech Republic than in Greece or Italy. "No real criteria have been set by the EU," says Tamas Novak, a research fellow at the Institute for World Economics in Budapest. "They didn't tell us what we should do if we want to join the EU, except to create political stability and economic growth. But to what extent?"

Hurry up and wait

Legislation is one area the Visegrad four are attempting to quickly bring into line with EU norms. But Central European economists accept that there is little their countries can do to speed up the process of integration with the EU. "In the end, full membership in the EU for the Visegrad countries is a political issue," says Andras Kovacs, a leading Hungarian economist and director of the Koptint-Datorg research Institute in Budapest. "I don't think that it is within the capacity [of the Visegrad countries] to influence the decision. But they can influence the conditions."

Now the most optimistic forecasts by Central European politicians put the date for full EU membership at the year 2000. But even this is a pipe dream, according to Professor Baldwin. "This is entirely unrealistic," he says. "If you take membership in the year 2000 for the Visegrad countries as a given and calculate the budget costs to the EU, it would mean an increase in the budget of 60 percent." Within the context of the recent bitter debate in the House of Commons over raising the British contribution to the EU from 1.0 percent to 1.1 percent of the GDP, a 60 percent rise in the EU budget over the next five years seems a far-fetched prospect, he adds.

Someday, somehow

Mr. Kovacs says he cannot speculate on the timing of EU membership for the Visegrad countries. "There is a belief that membership for the Visegrad countries but not in full membership is in the interest of Central Europe — a relationship of mutual interest and are much more complicated, and basically that's why I think that in the final analysis there won't be any question of not joining," he says.

Professor Baldwin says he also believes that despite the obstacles, the Visegrad four will eventually join the EU. He puts the time scale at around 15 to 20 years from now. "There is a political drive toward it — a vision of Europe," he says. "Politics is the engine, economics is the brake."

Catherine Hickley

Your customer is overflowing with information. Are you harnessing it to power your business?

To generate revenue you need customers. To generate customers you need information: What products and services do your customers want? When do your customers want them? How do your customers want them? Are your customers receptive to new offerings? Are your customers amenable to increased sales content? Indeed, who are your customers? Unisys is proud to introduce a unique and powerful new way to answer these vital business questions: CUSTOMERIZE™.

When you CUSTOMERIZE your organization, you pervade it with a customer focus. Through the marriage of information to customer service goals, Unisys can help you translate that focus into real-world results. Experienced Unisys consultants will help conduct a CUSTOMERIZE assessment of your

cus-tom-er-ize Align information strategy with your customer service goals — the Unisys Customerize philosophy.

organization, evaluating your capacity for understanding customer needs and responding rapidly to them. Helping you move information technology capabilities to the front line of customer contact, we'll enable you to create a significantly more effective flow of information between you and your customer — and back again.

The benefits are tangible: enhanced ability to

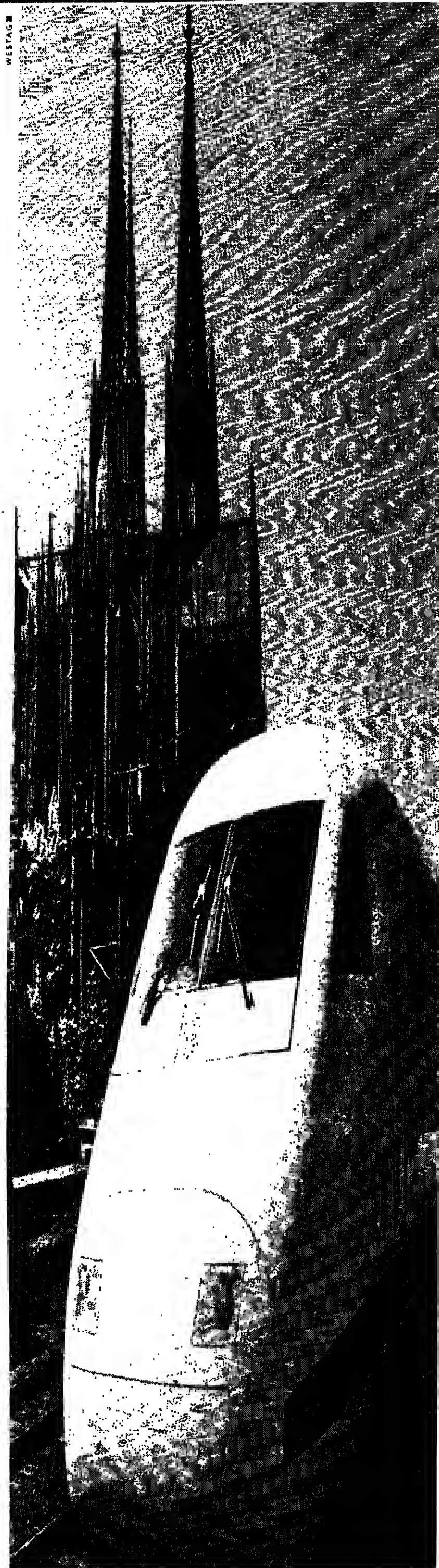


win customers, to maximise customer relationships, sustain customer loyalty, and tailor market-sensitive

new offerings. Competitiveness is sharpened. And revenue goals are brought within reach. Fax Graham Roberts on (44) 895 862307 and ask for a CUSTOMERIZE Information Pack. Discover how a CUSTOMERIZED flow of information can yield a torrent of competitive advantages for your business.

UNISYS
We make it happen.

SPONSORED SECTION



High-tech connections, excellent prospects.

Investors wanting swift access to the European market will find Cologne with its sophisticated infrastructure and central location on ideal stepping stone. Between them, Cologne/Bonn airport and Düsseldorf airport just 35 km down the autobahn service more than 200 destinations worldwide. At Cologne Central Station, the hub of the West European railway network, you'll find frequent trains to all European centres. Before the decade is out, travelling times between Cologne, Paris, London, Amsterdam and Brussels will be slashed by new, advanced high-speed trains. Cologne and its airport will be integrated into the network served by Germany's ICE super train, for significantly faster travelling to and from Frankfurt. Moreover, ten autobahns radiate from Cologne and its ring road, carrying your products far and wide, while another essential artery of the European economy, the Rhine, flows straight through the city's heart.

To find out more about how Cologne could be your high-tech connection, just write, fax or give us a call.

Stadt Köln
Office of Economic Development
Rheinstr. 2-4, 50667 Köln, Germany
Telephone: (0)221/21-6123, Fax: (0)221/21-6686



European Union

Networks / Patching Through the Competition

Telecommunications Race: Regulation vs. Technology

Thanks to a recent EU decree, 1998 is looming larger and larger. Many companies, however, are not waiting for the removal of the last national restrictions on the telecommunications market to launch advanced new services and to take on new markets. Among them are the Continent's powerhouse national telecommunications companies.

"A historic decision," is how Wolfgang Bötsch, Germany's minister for post and telecommunications, labeled the decision made by the EU's council of telecommunications ministers on Nov. 17 in Brussels.

The council unanimously agreed to add the national telecommunications networks to the list of monopolies being dismantled as of Jan. 1, 1998. For such national companies as DBP Telekom, France Telecom and Spain's Telefónica, this would seem a major blow.

Their exclusive access to their nationwide networks purportedly represents the national telecommunications companies' final competitive advantage. The previous decrees associated with 1998 had given their competitors carte blanche to offer a wide range of customized and standard services in the EU countries. Until the recent decision, however, the competitors were going to have to offer those services via the national grids, assuring the telecommunications suppliers ample rental incomes.

Now, presumably, the providers will be able to patch directly into the systems, placing them on equal footing with the national companies.

The letter of the law

The new decision sounds revolutionary and sweeping. In fact, it is not final and it does not immediately affect all of the EU or authorize the setting up of alternative "voice" networks, pegged to be the hottest segment of the market in the late 1990s. This omission has angered the consortia planning such networks. In a key point, the decree's importance is being superseded by developments on the telecommunications market that, instead of weakening the national companies, should actually strengthen them.

As Mr. Bötsch himself points out, the decree still lacks the enabling legislation and various approvals that will make it official policy. This legislation will presumably be contained in the second "green book" on telecommunications, due to be submitted by the European Commission by the end of the month. The decree will not take effect until 2003 in Spain, Greece, Ireland and Portugal, and in 2000 in Luxembourg.

Voice monopolies

For six of the EU's strongest telecommunications countries (including newcomers Sweden and Finland), the decree, by not allowing the

setting up and use of competing "voice" (standard telephone) networks, indirectly preserves the monopoly.

Mr. Bötsch has answered these criticisms by pointing out that further measures addressing these problems are in the works. Specifically, he has predicted that progress toward authorizing "alternative networks" will be made over the next few months.

"A windfall in disguise," is how the decree is being described in Germany's trade press. Analysts have been quick to note that the national companies will probably demand and receive huge sums of money in up-front compensation for the "depreciation" of their most lucrative asset, plus a percentage of total revenues arising from ongoing use of the network.

Multiplying technologies

For other observers, the whole issue of who gets to operate which standard, terrestrial-based voice networks "is becoming increasingly irrelevant," according to Steven Garside, a Munich-based telecommunications consultant. "The 1998 discussion basically applies to only one area of an increasingly diversified telecoms market, which is currently undergoing a historic multiplication of carriers and carrier technologies," he says. "Operating in many of these new market segments requires large amounts of capital and systems expertise, and that's precisely what Europe's national telecoms have."

The telecom message: dismantle monopolies by 1998.



One example of a diversification of carrier technologies is the proliferation of dedicated satellite-based communication networks, of which there are now 20 in Germany alone. Nearly all of them use the highly mobile VSAT (very small aperture terminal) technologies in the setting up of flexibly configured proprietary networks for car dealers, gas stations and freight forwarders.

Internal diversification

As for diversification within national markets, Spain has committed itself to licensing two mobile telephone networks by the end of 1994. One of them will be owned by the national company Telefónica, the other by one of five consortia. By 1998, the Spanish government

wants to have authorized another "standard" telecommunications company to compete with Telefónica.

Privatization and open competition are coming to all of Europe's national markets, even to such relative laggards as Portugal and Greece. With difficulty and delays, both countries are proceeding with the privatization of their national telecoms and expansion into new segments.

Meanwhile, the well-developed national markets are getting more and more networks. Germany's fourth major mobile network started operations in May. Following suit, France is now licensing a third mobile telephone network, due to go into operation by the beginning of 1996.

T.S.

Media / The Final Frontier

Broadcasters' Dilemma: Freedom or Free-for-All?

Since its original "Télévision Sans Frontières" directive in 1989, the European Commission has been trying to inspire a more efficient media industry.

The European Commission's most recent media paper, published last spring, gave new guidelines calling for the industry to liberalize and foster new services and cooperation. Papers like these offer far-reaching recommendations for Europe as a whole. But since the individual countries are so disparate, European media efforts may not be harmonized for some time.

Meanwhile, a fast-moving industry will not wait. Unable to count on a European superstate to lead them, nations are meeting the media rush on their own. Sometimes it works; sometimes it feeds Euro-traction.

The digital revolution

The revolution started a decade ago, with cable and satellite services opening up competition among broadcasters. Today, companies are positioning themselves for digital technology. With digital communications, companies that control both soft-

ware (programming) and hardware (delivery systems) will dominate.

Cross-ownership is inevitable in this brave new world. Already, print proprietors like Pearson and Reuters are expanding into business television. Small European producers are busily engineering cross-border links before digital compression brings the hundreds of channels that could bury many modest media outfits.

Global competition

"In Europe, we're just not competitive on a global scale," admits Pierre Grimbault, president of France's Hamster Productions, which has sought European partners to form a major studio, Hollywood-style.

Fattening the TV companies is openly promoted by governments. France and Britain last year passed laws easing restrictions on owning TV licenses. An amendment to Britain's 1990 Broadcasting Act made it legal for one person to control two stations. France effectively doubled the amount of shares in a TV company an individual can own, from 25 percent to 49 percent. The two nations, among Europe's most active

markets, are seeking more freedom for the sector, which is predicted to experience high growth.

Increased holdings mean fewer players and greater concentration. This reminds many of the days when European broadcasting was state-run, and has some wondering if the industry is on fast-forward or rewind.

Private media conglomerates began appearing before the dust settled on crumbling state monopolies in the 1980s. Today's large, vertically integrated giants exist in every country: Hachette in France, Bertelsmann in Germany, Elsevier in the Netherlands, Berlusconi in Italy. They are international players, since the EU's single market — and its free movement of goods and services — promotes pan-European activity. They combine audiovisual production and distribution with publishing and computer software, often more. Many reach megasize by swallowing smaller fish abroad.

At the same time, however, they serve the national interest by protecting their home markets from foreign multimedia conglomerates

like themselves. As industry concentration continues, countries are becoming more vigilant. "Companies are being used as shields," observes Jakob Stegelmann, a program buyer for the state-owned Danish Broadcasting Corporation. "There is cultural protection while at the same time we're all saying how European we are."

Free flow of programming

Technology will also quell the quota question. The EU currently stipulates that TV channels broadcasting from Europe must air 51 percent European programs. But in 10 years, pay-per-view and video-on-demand will add video-based services of all kinds that will blur the boundaries between home and hertzian entertainment.

Until then, each country must go it alone. Nowhere is the problem plainer than with pan-European TV channels like Turner Broadcasting's TNT/Caravan Network. The U.S. giant uplinks its signal from Britain, then beams to the Continent — with 100 percent American fare, which defies the quota rule. France and Belgium will not allow TNT to broadcast on their turf, branding it "the British

Trojan Horse." On the one hand, Britain is seemingly infringing the EU directive, but on the other, France and Belgium could be cited for contravening the free-market principle.

Meanwhile, cultural passions run high. Christian Davin, chairman of France Animation, a top Gallic cartoon producer, says: "The French example should spawn other children abroad. Every nation should have a policy so production is coherent and the rules are obeyed. If there weren't any laws, our children would only see foreign-made shows."

Reinventing the market

Broadcast markets are being reinvented while individual countries struggle to protect their home ground. Will the nations be ready when the new age dawns? "Some existing companies will have trouble adjusting, that's for sure," says Mr. Stegelmann. "A lot of broadcasters are closing their eyes to new technology. They talk a lot about interactive TV, but they're not investing in it. They still believe in the old system. This means even more protectionism ahead."

Joshua Jampol

History / The U.S. Model

Not Exactly the United States of Europe

Blood and money, both today and 200 years ago, account for much of the European Union's difficulty in achieving any sort of working American-style federalism.

A quick look at cultural and institutional history on opposite sides of the Atlantic helps explain why there is a United States of America today — and why the EU is encountering so many stumbling blocks to its stated goals of closer political and economic union.

Culturally, many of today's Europeans seem to fear that federalism means giving up their national traditions. They are not eager for the type of union that means their currencies no longer exist, or that their own nation's leaders do not have the final say in how and where their soldiers serve.

Radical patriotism

America's so-called founding fathers, on the other hand, had no such traditions to protect. Indeed, while national pride remains a stumbling block to a United Europe, the

concept of patriotism was a radical new notion in the American colonies.

While present-day Europeans bridle at the type of central control that allows Eurocrats to dictate how they run their banks or make their ice cream, the signers of the Declaration of Independence were used to a common — English — system of law and justice that was administered pretty much the same in Massachusetts as in Virginia.

Rather than being taught, as Europeans are, about past wars and economic competition with their neighbors, Thomas Jefferson and other Revolutionary-era republicans were fed grammar-school diets of Roman and Greek classicism that glorified the ideal of an enlightened democracy. With so much land in the new country, these scholar-statesmen envisioned a nation of genteel farmers not unlike the model described by the Roman poet Virgil.

For a brief few years, under the Articles of Confederation, the United States did exist in a form closer to today's EU than today's United States of America. States governed themselves with little regard for the federation, even issuing their own money and laying tariffs on goods from other states. New York, for example, imposed taxes on vegetables from New Jersey and firewood from Connecticut.

Commercial imperatives didn't work. Several states printed vast amounts of currency to help pay off both public and private debts. Between currency fluctuations and internal trade wars, merchants, creditors and traders complained that they could not do business. Congress tried to pass laws to regulate commerce, but without a strong executive or a federal judiciary, the states and individuals simply ignored the new regulations.

George Washington, who turned down a crown to find himself president of a nation in name only, warned of the need for a stronger central government despite widespread misgivings from the former colonies, which were

suddenly enjoying their status as mini-republics. In the end, Federalists such as Alexander Hamilton managed to convene the 1787 gathering that met in Philadelphia to tinker with the Articles of Confederation, but ultimately threw them out to write what became the U.S. Constitution.

Central to that new, stronger American federalism, of course, was the tripartite form of government and the system of checks and balances on the executive, legislative and judicial branches. The European Union, in contrast, has been dominated in recent years by its executive arm, the European Commission.

Many American legal scholars believe the new nation might not have survived — and certainly not in its present form — without the U.S. Supreme Court's assertion of its influence in a pair of early 19th-century cases.

In the *Marbury vs. Madison* case in 1803, Justice John Marshall asserted the federal courts' right to declare a law unconstitutional. Sixteen

years later, in *McCulloch vs. Maryland*, Marshall set forth the principle that states cannot tax — or otherwise interfere with — the functions of the federal government.

These two monumental rulings, which in effect provided the vitality for the system of checks and balances, have no parallel in modern Europe, where the European Court of Justice operates much more narrowly in terms of what it can tell the EU and member states to do.

Military issues

The war in Bosnia, whether viewed as a civil war or as an act of aggression by one nation against another, presents the EU with a troubling and divisive obstacle. Politically and diplomatically, the EU hardly seems prepared to present itself as a true union when it cannot resolve the war in its own backyard.

In America, on the other hand, the young nation's first war, in 1812, was against that familiar old enemy, England. It was a costly but unifying exercise.

Timothy Harper

MARKET DIARY

Stock Prices Slide Amid Bond Malaise

Compiled by Our Staff From Dispatches

NEW YORK—Stocks drifted lower Wednesday, unable to shake off a malaise that came from a steep drop in bond markets and a bankruptcy filing by a California company.

The Dow Jones industrial average fell 10.43 points, to 3,735.52.

Earlier in the day, it had been down as much as 27 points.

Analysts said the crisis over the bankruptcy filing, which followed major losses on trading in derivatives, should not significantly affect the market. But the drag was still evident.

"It makes you aware that there are people out there who don't know what they are doing, and by extension, you become less trusting of the market itself," said Trude Latimer, chief market strategist at Ferguson, Andrews & Associates Inc.

Orange County jitters were severe enough to send shares of Merrill Lynch down 14, to 35, on heavy trading despite an explicit restatement by the brokerage giant that it had not incurred losses related to the fias-

co, which was initially announced late last week.

In the bond market, the benchmark 30-year bond fell 15/32, to 95 16/32, raising its yield to 7.89 percent, from 7.84 percent at Tuesday's close.

Bonds slid amid concern about brisk economic growth and the possibility that its bankruptcy filing might force Orange County to sell securities to raise cash.

The filing "is the crisis this year," said Don Hays, director of investment strategy at Wheat First Butcher Singer. "The bond market can get concerned about anything, and a worried bond market worries the stock market."

On the Big Board, Continental Corp. jumped 4%, to 18 1/4, in heavy trading after CNA Financial agreed to buy the company for \$24 a share.

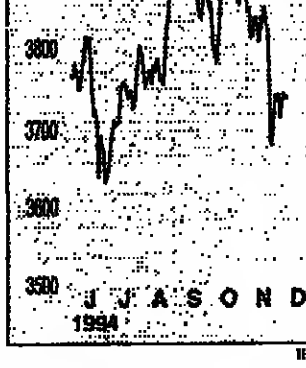
McGraw-Hill Inc. fell 1%, to 65 1/4, after the publishing company said rising paper costs and postal rates would trim 10 cents a share from its 1995 earnings.

Several technology stocks were down slightly, with MCI drifting 1/4, to 18 1/4, and Microsoft slipping 1/4, to 63. Unchanged were Intel, at 64 1/4, and AT&T, at 47 1/4.

(Knight-Ridder, AP, Reuters)

The Dow

Daily closings of the Dow Jones industrial average



NYSE Most Actives

Vol.	High	Low	Last	Chg.
IBM	100.00	99.00	99.00	-1.00
Microsoft	63.00	62.00	62.00	-1.00
Intel	64.00	63.00	63.00	-1.00
AT&T	47.00	46.00	46.00	-1.00
McGraw-Hill	65.00	64.00	64.00	-1.00
Continental	18.00	17.00	17.00	-1.00
MCI	18.00	17.00	17.00	-1.00
Microsoft	63.00	62.00	62.00	-1.00
Intel	64.00	63.00	63.00	-1.00
AT&T	47.00	46.00	46.00	-1.00
McGraw-Hill	65.00	64.00	64.00	-1.00
Continental	18.00	17.00	17.00	-1.00
MCI	18.00	17.00	17.00	-1.00

AMEX Most Actives

Vol.	High	Low	Last	Chg.
IBM	100.00	99.00	99.00	-1.00
Microsoft	63.00	62.00	62.00	-1.00
Intel	64.00	63.00	63.00	-1.00
AT&T	47.00	46.00	46.00	-1.00
McGraw-Hill	65.00	64.00	64.00	-1.00
Continental	18.00	17.00	17.00	-1.00
MCI	18.00	17.00	17.00	-1.00
Microsoft	63.00	62.00	62.00	-1.00
Intel	64.00	63.00	63.00	-1.00
AT&T	47.00	46.00	46.00	-1.00
McGraw-Hill	65.00	64.00	64.00	-1.00
Continental	18.00	17.00	17.00	-1.00
MCI	18.00	17.00	17.00	-1.00

NASDAQ Most Actives

Vol.	High	Low	Last	Chg.
IBM	100.00	99.00	99.00	-1.00
Microsoft	63.00	62.00	62.00	-1.00
Intel	64.00	63.00	63.00	-1.00
AT&T	47.00	46.00	46.00	-1.00
McGraw-Hill	65.00	64.00	64.00	-1.00
Continental	18.00	17.00	17.00	-1.00
MCI	18.00	17.00	17.00	-1.00
Microsoft	63.00	62.00	62.00	-1.00
Intel	64.00	63.00	63.00	-1.00
AT&T	47.00	46.00	46.00	-1.00
McGraw-Hill	65.00	64.00	64.00	-1.00
Continental	18.00	17.00	17.00	-1.00
MCI	18.00	17.00	17.00	-1.00

Market Sales

	Today	Prev.
NYSE	2,849,147	2,849,147
AMEX	2,849,147	2,849,147
Nasdaq	2,849,147	2,849,147

Dow Jones Averages

	Open	High	Low	Last	Chg.
INDUSTRIAL	3735.52	3735.52	3735.52	3735.52	-10.43
RETAIL	143.00	143.00	143.00	143.00	-0.10
UTILITIES	173.00	173.00	173.00	173.00	-0.10
COMP	124.00	124.00	124.00	124.00	-0.10

Standard & Poor's Indexes

	High	Low	Last	Chg.
INDUSTRIAL	577.00	577.00	577.00	-1.00
RETAIL	143.00	143.00	143.00	-0.10
UTILITIES	173.00	173.00	173.00	-0.10
COMP	124.00	124.00	124.00	-0.10

NYSE Indexes

	High	Low	Last	Chg.
COMP	247.00	247.00	247.00	-1.00
INDUSTRIAL	212.00	212.00	212.00	-1.00
RETAIL	143.00	143.00	143.00	-0.10
UTILITIES	173.00	173.00	173.00	-0.10
COMP	124.00	124.00	124.00	-0.10

NASDAQ Indexes

	High	Low	Last	Chg.
COMP	247.00	247.00	247.00	-1.00
INDUSTRIAL	212.00	212.00	212.00	-1.00
RETAIL	143.00	143.00	143.00	-0.10
UTILITIES	173.00	173.00	173.00	-0.10
COMP	124.00	124.00	124.00	-0.10

Dow Jones Bond Averages

	Close	Chg.
30 Year	95 16/32	-1/32
10 Year	94 1/2	-1/8
5 Year	93 1/2	-1/8
2 Year	92 1/2	-1/8

AMEX Stock Index

	High	Low	Last	Chg.
COMP	247.00	247.00	247.00	-1.00
INDUSTRIAL	212.00	212.00	212.00	-1.00
RETAIL	143.00	143.00	143.00	-0.10
UTILITIES	173.00	173.00	173.00	-0.10
COMP	124.00	124.00	124.00	-0.10

NYSE Diary

	Adv.	Decl.	Unch.	Total
NYSE	1,202	1,202	1,202	3,606
AMEX	1,202	1,202	1,202	3,606
Nasdaq	1,202	1,202	1,202	3,606

Spot Commodities

	Today	Prev.
Aluminum	0.83	0.83
Copper	1.10	1.10
Gold	380.00	380.00
Silver	16.00	16.00
Wheat	4.00	4.00
Soybeans	3.00	3.00
Corn	2.00	2.00
Wool	1.00	1.00
Wheat	4.00	4.00
Soybeans	3.00	3.00
Corn	2.00	2.00
Wool	1.00	1.00

EUROPEAN FUTURES

	High	Low	Last	Chg.
ALUMINUM	143.00	143.00	143.00	-0.10
COPPER	173.00	173.00	173.00	-0.10
GOLD	380.00	380.00	380.00	-0.10
SILVER	16.00	16.00	16.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10

Metals

	High	Low	Last	Chg.
ALUMINUM	143.00	143.00	143.00	-0.10
COPPER	173.00	173.00	173.00	-0.10
GOLD	380.00	380.00	380.00	-0.10
SILVER	16.00	16.00	16.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10

Financial

	High	Low	Last	Chg.
ALUMINUM	143.00	143.00	143.00	-0.10
COPPER	173.00	173.00	173.00	-0.10
GOLD	380.00	380.00	380.00	-0.10
SILVER	16.00	16.00	16.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10

Stock Indexes

	High	Low	Last	Chg.
COMP	247.00	247.00	247.00	-1.00
INDUSTRIAL	212.00	212.00	212.00	-1.00
RETAIL	143.00	143.00	143.00	-0.10
UTILITIES	173.00	173.00	173.00	-0.10
COMP	124.00	124.00	124.00	-0.10

Dividends

	High	Low	Last	Chg.
ALUMINUM	143.00	143.00	143.00	-0.10
COPPER	173.00	173.00	173.00	-0.10
GOLD	380.00	380.00	380.00	-0.10
SILVER	16.00	16.00	16.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10

Stock Splits

	High	Low	Last	Chg.
ALUMINUM	143.00	143.00	143.00	-0.10
COPPER	173.00	173.00	173.00	-0.10
GOLD	380.00	380.00	380.00	-0.10
SILVER	16.00	16.00	16.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10

Initial

	High	Low	Last	Chg.
ALUMINUM	143.00	143.00	143.00	-0.10
COPPER	173.00	173.00	173.00	-0.10
GOLD	380.00	380.00	380.00	-0.10
SILVER	16.00	16.00	16.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10

Regular

	High	Low	Last	Chg.
ALUMINUM	143.00	143.00	143.00	-0.10
COPPER	173.00	173.00	173.00	-0.10
GOLD	380.00	380.00	380.00	-0.10
SILVER	16.00	16.00	16.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10
WHEAT	4.00	4.00	4.00	-0.10
SOYBEANS	3.00	3.00	3.00	-0.10
CORN	2.00	2.00	2.00	-0.10
WOOL	1.00	1.00	1.00	-0.10

U.S. FUTURES

against whatever happens," said John Moore, a newspaper securities analyst with Lynch, Jones & Ryan.

Tod A. Jacobs, a media securities analyst at Sanford Bernstein & Co., said television stations were currently selling at high prices. But, he said,

U.S. FUTURE

Autoworkers In Korea Call Indefinite Strike

Compiled by Our Staff From Dispatches

SEOUL — Autoworkers' unions declared an indefinite strike Wednesday after the government announced that it would allow the Samsung Co. to move into car manufacturing.

The general strike announcement came during a demonstration by about 10,000 workers in Seoul shortly after a unit of Samsung, a major manufacturer of electronic and industrial products, was granted government approval to start building cars.

Union leaders from the five existing South Korean autoworkers said the strike would start Thursday and would be "indefinite unless the government retracts its decision."

Such a strike would be illegal under South Korean law and could inflict severe damage on a coming industry that produced more than 2 million automobiles last year and had export sales totaling \$4.5 billion, or 6.2 percent of the country's exports.

Managers at Hyundai Motor Co., Daewoo Motor Co., Kia Motors Corp., Asia Motors Co. and Sangyong Motors Co. appealed to the unions to abandon the strike plan, saying it would cost the industry \$225 million a day in lost sales.

The strike decision came shortly after Trade Minister Kim Chul Su announced the government would allow Samsung Heavy Industries Co. to import the technology necessary to begin car production in a venture with Nissan Motor Co. of Japan.

"This may have an adverse short-term effect on existing business, but I believe free competition will contribute to our car industry in the long run," Mr. Kim said.

Workers and union leaders have said such a move would cause saturation in South Korea's auto industry — leading to poorer corporate earnings and less job security — as well as deepen the country's dependence on Japanese technology.

Some industry executives also say a new entrant would flood the market and lead the industry into a slump through cutthroat competition.

"The domestic market will face serious overcapacity in five years, and it will be very, very competitive," said Scott Foster of Merrill Lynch International Inc. in Seoul.

"There is no reason to block Samsung's bid. But it will prompt a restructuring of the domestic car industry," said Lee Sang-jin of Schroders Securities.

Some had more doubts about Samsung's choice of Nissan, which has been posting large losses and losing market share in Japan, as a partner.

Samsung said it would pay Nissan royalties of 1.9 billion yen (\$19 million) plus between 1.6 percent and 1.9 percent of the price of each car for the technology.

The plan calls for Samsung's heavy-machinery and shipbuilding unit to produce 65,000 sedans a year starting in 1998. (AFP, Reuters)

Chic Condos in the Slums Bombay Builders Seek Inexpensive Land

Bloomberg Business News

BOMBAY — Deep in the heart of this island city, workers are putting the finishing touches on a plush 23-story condominium tower with its own tennis courts and pool.

It looks like the wrong building in the wrong place. For this is Bombay's ruined heart — neighborhoods of boarded-up textile mills and tenements called chawls where families of 10 cram into a single room.

As the Bombay real-estate market booms, the developers are spilling out of its pricey southern tip and into blighted neighborhoods such as this one, known as Bombay Central.

So profitable is building housing these days that all kinds of companies have piled into the business, from shipping concerns to liquor distillers.

Nobody knows how long the party will last, though. In real estate, what goes up must usually come down, and many of these companies could end up nursing some bad burns.

For the time being, real-estate prices continue to soar. In the better neighborhoods in the south, housing is so scarce that condos go for 30,000 rupees a square foot, or about \$1,000 for a space not much bigger than a computer screen.

Priced like those make Bombay the third most expensive housing market in the world, after Hong Kong and Tokyo, by some estimates.

For a company like Great Eastern Shipping Co., India's largest shipping concern, buying cheap land in the

slums and building condo towers is a lot more profitable than shipping freight.

Because land is so much cheaper in the poorer neighborhoods, Great Eastern can sell the three-bedroom condos in its as-yet-unnamed tower for 12,000 rupees a square foot.

"It is only because our complex is where it is," says Ghanashyam S. Sheth, executive director of Great Eastern, "that I can offer great value for a great price."

For the time being, there are plenty of buyers. Great Eastern said it had already sold most of the condos.

But as more buildings appear in neighborhoods like this, the developers who built them become increasingly vulnerable to a downturn.

Consider the latest cycle in the United States: Companies such as Xerox Corp. that jumped into building office towers in the boom of the 1980s — even in partnership with seasoned developers — are now trying to dump buildings that have been largely empty for years, since the real-estate market collapsed in the early 1990s.

But when the market does turn down here, at least the banks will not be saddled with a lot of bad real-estate loans, as they have been in the United States and Japan. Commercial banks in India are forbidden by law from lending to developers.

Some companies get around that by having their boards secure the loans personally.

Lok Housing & Construction Ltd., for instance — In-

dia's second-largest home builder — borrowed \$4 million, which its directors personally guaranteed would be repaid. But that is not practical for most companies.

Indian companies finance as much as half of their building costs by pre-selling condos — something they could not do in many markets, as buyers in most places hesitate to pay a lot of money for a condo they have not seen.

Indian developers will need to raise a enormous amount of capital — perhaps as much as \$4 billion nationally over the next few years — if demand is to be met.

Many of the new players are starting to turn elsewhere to get these huge sums. Some are raising cash by selling shares in their real-estate subsidiaries to the public.

With the outlook for the Indian economy fairly strong, the real-estate market may stay healthy for the next several years.

There are some Bombay residents, however, who are not thrilled by that news.

They are the people who live in the run-down neighborhoods. They fear gentrification will eventually push them out of their tenements and leave them no place to go but the streets.

Then there are the mills. The government is finally letting the owners sell land around the plants. The money, however, is not going back into the mills, generating jobs for the unemployed. Eventually, residents fear, the mills will be torn down as well — to make room for more condos and office towers.

Fidelity's Gaffe Hits Markets

Bloomberg Business News

TOKYO — News that a calculation error had forced the world's biggest mutual fund to cancel a year-end payout sent minor shock waves through stock markets in Asia on Tuesday as investors feared a wave of redemptions by U.S. funds.

Fidelity Investments announced Monday that it would not make a year-end distribution of income to the 3 million holders of its Magellan fund.

The announcement surprised investors, who look at the Magellan fund as a prime indicator of the health of the U.S. mutual fund industry.

"There is a belief this is another nail in the coffin, that it will cause more redemptions," said Clive Weedon, sales and research director at Asia Equity in Hong Kong.

In Tokyo, the Nikkei Stock Average fell 166.24 points, to 19,174.23, in part because of the news. In Hong Kong, the Hang Seng index fell 64.15 points, to 8,332.65.

Traders were concerned that the Fidelity announcement would prompt U.S. investors who had not yet cashed out of stocks to take advantage of higher interest rates by investing in bonds — in particular, that U.S. fund managers would try to raise funds by selling some of their Asian holdings.

That would be a troubling turn, because American mutual funds dedicated to Asian shares were one of the main forces behind the gains in Asian markets last year, said Bruce Rolph, head of research at Salomon Brothers Singapore Ltd.

A retreat by U.S. funds is already evident in Tokyo and Singapore, traders said.

"We have seen quite a lot of redemption selling," said Dianne Lim, head of research at Standard Chartered Securities Singapore Ltd. Mutual funds have been trying to sell stock "at whatever price," she said.

In Taipei, investors shrugged off the news. The response elsewhere, said James Rosenwald, president of Rosenwald Capital Management Inc. of California, was "much ado about nothing."

He said rising interest rates were the main reason Asian markets were falling.

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
11000	2400	20000
10000	2200	18000
9000	2000	16000
8000	1800	14000
7000	1600	12000
6000	1400	10000
5000	1200	8000
4000	1000	6000
3000	800	4000
2000	600	2000
1000	400	1000
0	200	0
1984	1984	1984
Exchange	Index	Wednesday Close
Hong Kong	Hang Seng	8,332.65
Singapore	Straits Times	2,167.07
Sydney	All Ordinaries	1,888.20
Tokyo	Nikkei 225	19,174.23
Kuala Lumpur	Composite	851.68
Bangkok	SET	1,238.35
Seoul	Composite Stock	1,068.83
Taipei	Weighted Price	6,777.68
Manila	PSE	2,888.77
Jakarta	Stock Index	482.33
New Zealand	NZSE-40	1,831.25
Bombay	National Index	1,886.68

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- International Business Machines Corp. said it planned to establish a research laboratory in Beijing by mid-1995 to support joint projects with universities and research institutes. Separately, Microsoft Corp. said it would sign a memorandum of understanding Thursday with China to develop its new Windows 95 program.
- Toshiba Corp. said it would begin in February to build a \$1 billion "clean room" for mass production of dynamic random access memory chips at Yokkaichi in central Japan in February.
- Brierley Investments Ltd. said it would sell the 28 percent stake it acquired only last month in Wilson & Horton Ltd., publisher of the New Zealand Herald, after Wilson & Horton said it wanted a media company as a major holder instead.
- Journalists at News Ltd., the Australian unit of Rupert Murdoch's News Corp., walked off the job in Melbourne and Adelaide on Wednesday, joining strikes started Tuesday by their colleagues in Sydney and Brisbane over the spread of non-union contracts as well as issues of copyright and allowances for new technology.
- Hopewell Holdings Ltd., a Hong Kong-based construction, real estate and power utility concern, canceled its first international bond sale and will use bank borrowing for financing instead.

Bloomberg, AFP, Reuters

WORK: Employees Want a Say

Continued from Page 15

mission added, has been management's aggressive campaigns against union organizing.

The AFL-CIO wants the commission to recommend changing laws to make organizing easier. The study suggests that workers themselves, quite apart from organized labor — favor easier union organizing.

A third of the nonunion workers surveyed said they would vote for unions to represent them, though some said they would not do so in the face of management opposition. Ninety percent of the union members in the study said they wanted to keep their unions.

The most startling finding in the six-month study, which first

involved focus groups and then telephone interviews with 2,400 workers, came when the workers were asked to choose between two types of organizations to represent them. One would have to power but would have management's cooperation. The other would have power but would be opposed by management. By a 3-to-1 margin, the workers chose the weaker organization.

Seventy-three percent of the workers surveyed said they believed that management was so powerful that any employee organization formed to have a say on issues such as wages, benefits, working conditions, technology and production goals could "only be effective with management cooperation."

Just 38 percent said they were confident that their companies kept promises to employees, and 76 percent said their companies would be more competitive if "more decisions about production and operations were made by employees instead of managers."

Keidanren Mulls Asia Caucus Stand

Bloomberg Business News

TOKYO — The Japan Federation of Economic Organizations, or Keidanren, is considering supporting an East Asian Economic Caucus early next year, a spokesman said Wednesday.

The lobbying group for big business in Japan said it hoped to decide on its stand before sending representatives to talk with members of the Association of Southeast Asian Nations in February.

But Shunsuke Kohiyama, the spokesman, said no decision had been made on whether Japan itself should join the group.

As envisioned by its proponents in Keidanren, the East Asian Economic Caucus would be a group akin to the European Union and North American

Free Trade Agreement, which offer participants places to discuss issues of mutual interest.

Prime Minister Mahathir bin Mohamad of Malaysia proposed the caucus in 1990 and has been its strongest supporter in the region. ASEAN members agreed to establish an East Asian Economic Caucus in 1992 to act as a regional co-ordinating group.

The United States has opposed forming such a group, saying it would weaken broader efforts in support of free trade such as the Asia-Pacific Economic Cooperation conference.

■ Upsetting Seen in Japan

Corporate Japan is recovering from its slump, and profits will rise in the current business

year after four years of declines, Reuters reported, quoting research institutes.

The institutes said they had become more optimistic because of restructuring efforts by companies, a recovery in private consumption helped by a hot summer and tax cuts, and strong exports fueled by economic recoveries elsewhere.

The IHT Pocket Diary Fits In The Palm Of Your Hand.



Year after year — even at a period when diaries abound — the International Herald Tribune flat, silk-grain leather diary is the hit of the season.

Ingeniously designed to be thinner-than-thin, it still brings you everything ... including a built-in note pad with always-available "jotting paper". Plus there are conversion tables of weights, measures and distances, a list of national holidays by country, a wine vintage chart, and many other useful facts. All in this incredibly flat little book that slips easily into a pocket.

The perfect gift for almost anyone ... including yourself.

— Please allow three weeks for delivery.

Please send me 1995 IHT Pocket Diaries.

Price includes initials, packing and postage in Europe:

1-4 diaries UK £22 (U.S.\$33) each INITIALS

5-9 diaries UK £20.50 (U.S.\$31) each up to 3 per diary

10-19 diaries UK £18 (U.S.\$27) each

Additional postage outside Europe £4.50 (U.S.\$6.90)

Check here for delivery outside Europe by registered or certified mail: £5.75 (U.S.\$8.60) per package plus postage.

Payment is by credit card only. All major cards accepted.

Please charge to my credit card:

☐ Access ☐ Amex ☐ Diners ☐ Eurocard ☐ MasterCard ☐ Visa

Card No. _____

Exp. _____ Signature _____

Name _____

Company _____

Address _____

City/Code _____

Country _____

Company EEC VAT ID No. _____

Herald Tribune

Mail or fax this order form to:

International Herald Tribune Offices,

37 Lambton Road, London SW20 0LW U.K.

Fax: (44 81) 944 8243

The joint stock company "Kominet"
Memorandum
Due to recent changes in the structure of the joint stock company "Kominet" it has been decided to postpone the share certificate transfer & exchange published in the International Herald Tribune on September 2, 1994.
Until further notice the existing certificates will remain unchanged previous registration procedures.
Client: The joint stock company "Kominet", 13, Otyabrskaya Street, 169400 Ukhla, Republic of KOMI, Tel.: (782147) 62612, Fax: (782147) 61808
Agent: Komilux International S.A., 29, av. Monterey, L-2163 Luxembourg, Tel.: (352) 224428, Fax: (352) 224431
Financial Adviser: "Diffusion Finance S.A.R.L.", 100, rue de Camperiech, L-1617, Luxembourg, Tel.: (352) 400810, Fax: (352) 400 823

INTERNATIONAL CLASSIFIED MARKETPLACE
Monday International Conferences and Seminars
Tuesday Education Directory
Wednesday Business Message Center
Thursday International Recruitment
Friday Real Estate Marketplace, Holidays and Travel
Saturday Arts and Antiques
Plus over 300 headings in International Classified Monday through Saturday
For further information, contact Philip Orna in Paris: Tel: (33-1) 46 37 94 74 - Fax: (33-1) 46 37 52 12
Herald Tribune

SABEX FUTURES LIMITED
SFA & IPE MEMBER
• 24 Hour margin based foreign exchange dealing
• Fast competitive rates with a personalised service
• Catering only to professional investors, fund managers and institutions, for their speculative & hedging needs
• Up to date market information and technical analysis
• Full futures brokerage in all major markets
33 Cavendish Square London W1
Reuters Dealing: SABX, Reuters Monitor: SABYZ (+ Daily fax)
Tel.: (071) 412 0001 Fax: (071) 412 0003
Please call for further information.

Catch The Big Moves
DID YOU SELL DEC DAX AT 2147?
DID YOU SELL DEC S&P 500 AT 472.87?
DID YOU BUY COFFEE IN MARCH? OUR CLIENTS DID
Converting, the computerised trading system is now available by fax and covers over 75 commodities/futures/indices with specific "Buy", "Sell" or "Neutral" recommendations
Request your 5-day free trial by sending a fax to Carol on 0224 622272 fax 04234 622272

Capital Flow Asset Management
\$32,817.04
NET REALIZED PROFITS
PER \$100,000 UNDER MANAGEMENT
JUNE 27, 1994 THROUGH OCTOBER 31, 1994
Mahan & Company
10000
Newport, Rhode Island
02840
Tel: (401) 39-6284
Fax: (401) 39-3877

Everyday Offer To Professional Traders
Keystone
800-967-4879
312-207-0117
US Community Exchange
For further details on how to place your listing contact: WILL NICHOLSON in London Tel: (44) 71 836 48 02 Fax: (44) 71 240 2254
Herald Tribune

• Measures 8 x 13 cm (5 1/4 x 3 in.)
• Black leather cover with gilt metal corners.
• Week-at-a-glance format, printed on French blue paper with gilded page edges.
• 1995 notable dates and national holidays in over 80 countries; world time-zone table; international telephone dialing codes and country prefixes; conversion tables of weights, measures and distances.
• Blue ribbon page marker.
• Includes removable address book that fits snugly into its own silk pocket. No need to re-write your most important phone numbers — the address book will fit right into next year's diary.
• Each diary packed in a blue gift box.
• Corporate personalization and discounts are available.
For details, fax Paul Baker at (44-81) 944 8243.

SPORTS

Rockets, Without Olajuwon, Are Outgunned by Sonics

The Associated Press
TACOMA, Wash. — It's beginning to look a lot like last season for the Seattle Super-Sonics.

After 16 games last fall, they were 15-1 on the way to an NBA-high 63 victories. This season, they got off to a 5-5

NBA ROUNDUP

start, but have since won six straight games — the longest current victory streak in the National Basketball Association — and eight of their last nine.

Their latest effort was a 103-90 defeat of defending NBA champion Houston on Tuesday night in the Tacoma Dome. The Rockets got off to a 9-0 start, but now have faded to 11-5.

To make things worse for Houston, the Rockets played Tuesday without Hakeem Olajuwon, the league's Most Valuable Player last season and Houston's leading scorer and rebounder.

Olajuwon crashed into a photographer's camera, injuring his right wrist, last Thursday at Golden State.

The Rockets aren't sure how long Olajuwon will be out.

Meanwhile, Gary Payton says the Sonics "are beginning to play like we did last year."

Payton, despite back spasms caused by a fall on ice and snow earlier in the day, scored a season-high 30 points against Houston. Otis Thorpe, starting at center in place of Olajuwon, led Houston with a season-high 21 points, and Vernon Maxwell added 20.

Phoenix's game with the Washington Bullets in Landover, Maryland, had to be postponed because of condensation that made the court unusable.

Hawks 94, Nets 91: In East Rutherford, New Jersey, Craig Ehlo converted a breakaway layup and foul shot with 0.3 seconds remaining as Atlanta

beat New Jersey to win its third straight game. Mookie Blaylock finished with 17 points and 12 assists, Stacey Augmon added 17 points, and Grant Long 16 for the Hawks. Kenny Anderson led the Nets with 24 points.

Mavericks 124, Spurs 121: In San Antonio, Jamal Mashburn scored 34 points, Jimmy Jackson added 28 and Roy Tarpley had season-highs in points and rebounds to lead Dallas to an overtime defeat of San Antonio. Jackson's finger-roll with 37.6 seconds left in overtime gave the Mavericks the lead for good. David Robinson matched his season-high with 42 points, but he fouled out with 54.7 seconds left in overtime. Vinny Del Negro scored 25 points and Avery Johnson had 22 points. Tarpley had 22 points and 14 rebounds for the Mavericks.

Magic 114, Cavaliers 97: Anfernee Hardaway scored 10 points and Shaquille O'Neal had nine in Orlando's 42-point first quarter as the Magic won in Cleveland. O'Neal and Nick Anderson finished with 26 points each and Hardaway finished with 20 for the Magic, which has won nine of 10 games.

Knicks 104, Celtics 90: In New York, Charles Smith had 20 points and New York shut down Boston in the second half. The Knicks led by as many as 20 points early in the final period. The Celtics, who dropped their third straight, made only 12 of 36 shots after halftime. Dino Radja had 23 points to lead Boston. Dominique Wilkins added 20.

Lakers 113, Warriors 101: Los Angeles made a franchise-record 11 3-pointers to hold off visiting Golden State. Cedric Ceballos had 28 points and 12 rebounds to lead the Lakers, who outrebounded Golden State 61-42 and beat the War-

riors for the first time since April 18, 1993. Tim Hardaway scored 23 points for the Warriors, who have lost seven of their last eight games.

Pacers 90, Pistons 83: Dale Davis had 19 points and 11 rebounds and Reggie Miller made a key 3-pointer to stop a late rally as Indiana beat Detroit. The Pacers led by 13 with 5:30 remaining, but Detroit used a 12-2 run to pull within one on a 3-pointer by Terry Mills with 1:47 remaining. Mills scored 11 of his 16 points in the fourth quarter. Miller, who scored 18 points, nailed a 3-pointer with 22 seconds remaining to seal Indiana's home-court victory.

Nuggets 102, Timberwolves 95: In Minneapolis, Dale Ellis scored 14 of his 18 points in the second half and rookie Jalen Rose started a fourth-quarter rally to lead Denver over Minnesota. Rose scored six straight points to turn a one-point deficit into an 88-83 lead with 6:08 to play. A 10-1 spur capped by Ellis' baseline jumper sent the Timberwolves to their 12th straight home loss. Doug West led the Wolves with 25 points, and Isaiah Rider had 23.

Hornets 106, Jazz 97: In Salt Lake City, Utah, Dell Curry made six of Charlotte's 13 3-pointers, including four in the fourth quarter, to lead the Hornets. Larry Johnson led Charlotte with 28 points, while Karl Malone had 31 for Utah. David Benoit and Jeff Hornacek had 18 points each.

Sacramento 106, Milwaukee 95: Olden Polynice had 22 points and 16 rebounds and Walt Williams added 20 points to lead Sacramento over visiting Milwaukee. The victory gave the Kings their best early season record in more than a decade — eight victories in 15 games. Glenn Robinson had 31 points for the visiting Bucks.



The Cavaliers' Tony Campbell in the land of the giants, pressured by Anthony Aveni and Shaquille O'Neal of Orlando, which has won 9 of 10 games, defeating Cleveland, 103-90.

A Lackluster Victory For No. 10 UConn

The Associated Press
Connecticut learned that even early Big East games against outmanned opponents are tough.

The 10th-ranked Huskies looked good in a victory over then-No. 6 Duke in last week's Great Eight. But things looked a lot different in the eyes of

COLLEGE HIGHLIGHTS
Coach Jim Calhoun after the 74-70 defeat Tuesday night of Boston College — a team trying to replace four starters from last season while handling the loss of a star freshman, Chris Herren, for the season because of wrist surgery.

"I don't think the opponent was that important," Calhoun said. "The opponent was our own uniforms. We didn't play with enough emotion."

The Huskies (4-0) don't play again until Dec. 23, and that means time for Calhoun to think about the tough road victory over the Eagles (2-2).

"I won't forget about it Thursday," he said. "I won't forget about it Friday. I won't forget about it Saturday. It was a total breakdown defensively. It's the first time in a long time that someone played with a lot more emotion than we have."

The game was tied, 68-68, when Deon Shaffer hit a 15-footer with 34 seconds left to give the Huskies the lead for good.

"They played with a lot of courage and played their hearts out," Boston College's coach Jim O'Brien said of his team.

Fair led Connecticut with 21 points, while Ray Allen 14. Danya Abrams carried the Eagles with a career-high 29 points and 10 rebounds.

No. 3 Arkansas 121, Centenary 94: In Fayetteville, Arkansas, Clint McDaniel had five points, three assists and two steals in a 19-0 run as the Ra-

zorbacks cruised. But forward Scotty Thurman left the game in the first half with what appeared to be a sprained ankle. Darnell Robinson scored a career-high 24 points for the defending national champions.

No. 8 Arizona 96, Florida State 78: In Tucson, Arizona, Damon Stoudamire had 25 points and 12 assists to lead the Wildcats, who shot 64 percent in the second half. Florida State's Bob Sura and James Collins were held to 15 and 12 points in the Seminoles' first loss of the season.

No. 9 Duke 103, George Washington 73: In Durham, North Carolina, the Blue Devils had this one wrapped up by halftime with a 30-point lead. Duke, which made 11 of its 13 shots in the first 6 1/2 minutes, was led by Cherokee Parks' career-high 29 points.

No. 14 Wisconsin 69, Valparaiso 51: In Madison, Wisconsin, Michael Finley had 28 points, including the Badgers' first 11 of the game. Valparaiso, playing without its injured leading scorer, Dave Redmon, trailed just 54-50 with 7:15 to play, but Wisconsin closed the game with a 15-1 run.

No. 19 Syracuse 83, Miami 65: In Miami, John Wallace was 11-for-13 from the field, scored 23 points and grabbed 10 rebounds as the Orangemen handed the Hurricanes their 21st consecutive Big East loss in the conference opener for both.

Constantin Pops had 17 points and 13 rebounds for Miami.

Vanderbilt 70, No. 20 Virginia 65: In Nashville, Tennessee, the Commodores barely hung on after leading by as many as 19 points. Vanderbilt shot 26 percent (5-for-19) in the second half and didn't score from the field in the final 12:29. Ronnie McMahan and Frank Secker, each had 23 points for Vanderbilt, while Harold Deane led the Cavaliers with 16 points.

Mediator Sides With Players

Compiled by Our Staff From Dispatches

Special mediator William J. Usery came down on the side of the striking baseball players Tuesday at the executive board meeting of the players' union in Atlanta. He urged owners to give up their revised plans to implement the salary cap on Dec. 15. What appears to be the final attempt to reach a negotiated settlement begins Friday or Saturday in Rye Brook, New York.

The U.S. Congress may also be ready to reject the fray. A Dec. 2 letter sent to both factions and signed by Senator Connie Mack of Florida, Senator John McCain of Arizona and Senator-elect Jon Kyl of Arizona, said: "If this dispute is not resolved in a timely manner, we will have no choice but to move forward with the consideration of an appropriate legislative remedy, in addition to reserving our right to address the [sport's] antitrust exemption — a benefit that was predicated on baseball's unique standing and the goodwill and accountability of its stewards."

Meanwhile, talks between National Hockey League owners and players representatives broke down Tuesday, with both sides agreeing only that prospects are slim for saving the season.

"We've given them everything they wanted," said Mike Garman, the NHL Players Association president. "We've made a tremendous amount of concessions." NHL commissioner Gary Bettman said the sides were "too far apart on substance." (LAT, AP)

SCOREBOARD

Portland 77, Los Angeles 70
L.A. Clippers 77, Portland 70

TUESDAY'S GAMES
Boston 98, New York 90
New York 98, Boston 90

Atlanta 104, Charlotte 90
Charlotte 90, Atlanta 104

San Antonio 106, Dallas 95
Dallas 95, San Antonio 106

Phoenix 104, Sacramento 90
Sacramento 90, Phoenix 104

Los Angeles 103, Cleveland 90
Cleveland 90, Los Angeles 103

Golden State 106, Houston 95
Houston 95, Golden State 106

Utah 97, New Jersey 94
New Jersey 94, Utah 97

San Antonio 106, Dallas 95
Dallas 95, San Antonio 106

Phoenix 104, Sacramento 90
Sacramento 90, Phoenix 104

Los Angeles 103, Cleveland 90
Cleveland 90, Los Angeles 103

Golden State 106, Houston 95
Houston 95, Golden State 106

Utah 97, New Jersey 94
New Jersey 94, Utah 97

San Antonio 106, Dallas 95
Dallas 95, San Antonio 106

Phoenix 104, Sacramento 90
Sacramento 90, Phoenix 104

Los Angeles 103, Cleveland 90
Cleveland 90, Los Angeles 103

Golden State 106, Houston 95
Houston 95, Golden State 106

Utah 97, New Jersey 94
New Jersey 94, Utah 97

San Antonio 106, Dallas 95
Dallas 95, San Antonio 106

Phoenix 104, Sacramento 90
Sacramento 90, Phoenix 104

Los Angeles 103, Cleveland 90
Cleveland 90, Los Angeles 103

Golden State 106, Houston 95
Houston 95, Golden State 106

Utah 97, New Jersey 94
New Jersey 94, Utah 97

San Antonio 106, Dallas 95
Dallas 95, San Antonio 106

Phoenix 104, Sacramento 90
Sacramento 90, Phoenix 104

Los Angeles 103, Cleveland 90
Cleveland 90, Los Angeles 103

Golden State 106, Houston 95
Houston 95, Golden State 106

Utah 97, New Jersey 94
New Jersey 94, Utah 97

San Antonio 106, Dallas 95
Dallas 95, San Antonio 106

Phoenix 104, Sacramento 90
Sacramento 90, Phoenix 104

Los Angeles 103, Cleveland 90
Cleveland 90, Los Angeles 103

Golden State 106, Houston 95
Houston 95, Golden State 106

Utah 97, New Jersey 94
New Jersey 94, Utah 97

San Antonio 106, Dallas 95
Dallas 95, San Antonio 106

Phoenix 104, Sacramento 90
Sacramento 90, Phoenix 104

Los Angeles 103, Cleveland 90
Cleveland 90, Los Angeles 103

Golden State 106, Houston 95
Houston 95, Golden State 106

Utah 97, New Jersey 94
New Jersey 94, Utah 97

San Antonio 106, Dallas 95
Dallas 95, San Antonio 106

Phoenix 104, Sacramento 90
Sacramento 90, Phoenix 104

Major College Scores

Arkansas 121, Centenary 94
Oklahoma 83, Southern Miss. 69

Texas 81, Penn State 77
New Mexico 81, Texas 81

Arizona 96, Florida 78
Brigham Young 74, Mississippi St. 68

CS Northridge 44, Long Beach St. 32
Colorado 75, Wyoming 69

Gonzaga 64, Idaho 58
New Mexico 78, E. New Mexico 67

Southern Cal 93, Sacramento St. 54
Miss. Valley St. 87, San Jose St. 44

UC Santa Barbara 78, Pepperdine 63
Washington St. 77, Portland 67

Ala. Birmingham 91, Jackson St. 87
Cincinnati 74, East Carolina 56

Duke 103, George Washington 73
George Mason 95, N. Carolina A&T 70

Syracuse 83, Miami 65
Jacksonville 71, South Florida 70

LSU 133, Troy 51
Liberty 86, James Madison 58

Marshall 88, E. Kentucky 71
Middle Tenn. 72, Ala.-Huntsville 50

Miss. Valley St. 87, San Jose St. 44
Syracuse 83, Miami 65

Vanderbilt 70, Virginia 65
Winthrop 76, Citadel 74

Bradley 80, DePaul 68
Cent. Michigan 82, Mich.-Dearborn 74

Indiana St. 78, Oral Roberts 64
Iowa St. 94, Drake 69

Marquette 56, Indiana Tech 44
Missouri 64, SE Missouri 77

N.C.-Wilmington 63, Illinois St. 71
W. Kentucky 84, Ball St. 77

W. Michigan 90, Purdue 81
Wisconsin 69, Valparaiso 51

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

Ark.-Little Rock 99, Centenary 77

UEFA Cup Results

Real Madrid 4, Odense 2
Spartans (Denmark) 1, Birm. (Wales)

Odense won 4-3 on aggregate.

Bayern Leverkusen 4, Kilmarnock 0
Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

DUTCH FIRST DIVISION

PSV Eindhoven 2, RKC Waalwijk 2
Maastricht 1, Roda JC Kerkrade 2

Alkmaar 2, PSV Eindhoven 2
Twente 2, Feyenoord Rotterdam 2

Willem II (Tilburg) 1, Vitesse Arnhem 1
Herenveen 1, MVV Maastricht 1

Utrecht 1, Groningen 1
NAC Breda 1, Volendam 1

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

Spartans (Denmark) 1, Birm. (Wales)

SPORTS



END OF THE LINE — Stefan Edberg struggled — and lost — to fellow Swede and Davis Cup teammate Magnus Larsson in the first round of the Grand Slam Cup in Munich. Larsson won the match, 6-4, 6-7 (7-9), 8-6, and had 23 aces to Edberg's 6. In other matches, Andre Agassi beat Thomas Muster of Austria, 6-3, 7-5, and Todd Martin of the United States beat Karel Novacek of the Czech Republic, 7-6 (7-5), 6-4. The winners advance to the quarterfinals.

A 2d Chinese Swimmer Is Suspended

LONDON (AP) — Chinese swimmer Lu Bin, who won four gold medals and set a world record at the Asian Games, has been suspended for two years for failing a drug test, the international swimming federation, FINA, said Wednesday.

The federation's secretary, Gunnar Werner, said Lu tested positive for the banned substance dehydrocorticosterone in a random out-of-competition sampling Sept. 30 before the start of October's Asian Games in Hiroshima, Japan.

It's the second positive test involving Lu. She was among seven Chinese swimmers who also tested positive for dehydrocorticosterone during the Games. Lu was the second Chinese woman to fail a pre-Games test. The other was Yang Aihua, the world 400-meter freestyle champion, who tested positive for testosterone and was recently suspended by the federation for two years.

The suspensions will keep the two swimmers out of the 1996 Olympics in Atlanta. Both Lu and Yang were also among 11 Chinese athletes, including seven swimmers, who failed doping tests during the Asian Games. Federation officials, however, said Lu and Yang will be sanctioned for only one positive test.

Drugs and the Chinese Sports Machine

By Steven Mufson
Washington Post Staff Writer

BEIJING — In the late 1950s, the Chinese Communist Party promoted a disastrous program of economic growth under the slogan "More, faster, better, cheaper." It might have been the slogan for the 1994 Chinese swim team.

In both the "Great Leap Forward" of the '50s and the great splash forward of the '90s, the initial appearance of success was too good to be true.

Last week, Japanese drug testers who took urine samples at the Asian Games in Hiroshima in early October found that 11 Chinese athletes had tested positive for drugs, including seven top Chinese swimmers. Among them: swimming sensation Lu Bin, who won four gold and two silver medals in Hiroshima, and world champion swimmer Yang Aihua, now banned for two years. In all, China will be stripped of 22 medals won at the Asian Games.

The reaction here to the news has been a cycle of denial, recrimination and righteous indignation. The initial responses in China to the news from Japan went something like this:

- The test results from the Asian Games were premature and wouldn't be confirmed. The accusations were motivated by jealousy and racism, sports officials said.
- The tests were part of a Japanese plot. There's plenty of bad feeling in China toward Japan, which invaded China in the 1930s. The Beijing Youth Daily initially tried to cast doubt on the drug test results by noting that by eliminating so many Chinese medal winners, Japan would move up to second place from third place among the nations competing at the Asian Games.
- The test results were accurate, but only a few misjudged individuals took drugs. Taking drugs to excel at sports is not national policy, officials say, and the Chinese sports machine is still an awesome power in international competition.
- A lot is at stake here. Like many other countries, China has integrated national pride with the performance of top athletes. As a result, producing champion athletes and China's push last year to bring the 2000 Olympic Games to Beijing becomes a matter of national mobilization.
- It is part of a drive by a China trying to reassert what it regards as its rightful place as a world power in economics, politics, nuclear weapons and sports. And although the government is expending a lot of effort on gaining admission to the General Agreement on Tariffs and Trade, swimming times also have high priority.
- However, even after the Chinese Olympic Committee's admission that the athletes did indeed take drugs, a key question still lingered: Who is responsible? Was this a case comparable to the former East Germany, where taking drugs to enhance athletic prowess was part of a national campaign? The use of former East German coaches by China's swimming team and the incred-

ible number of athletes to test positive at one event certainly raises suspicions among other national teams.

The question of responsibility in China has always been a tricky one.

Here, China's political history, like its old slogan, may be applicable. In the Great Leap Forward, Mao Zedong set overall policy goals and everyone from central planners to peasants tried to fill his unrealistic expectations, even if that meant wild exaggeration.

Later, when rural and industrial output estimates were slashed by a third or more, it was not clear who was responsible: Mao, or everyone beneath him.

Similarly, in official versions of China's Great Proletarian Cultural Revolution that started in 1966, blame is apportioned only gingerly. Mao made some mistakes, it's generally said, but he was a great man. A handful of people misguiding him.

As for the thousands and millions of individuals who carried out inhuman actions in mob violence during that time, very few people talk about a sense of responsibility.

There is enough responsibility to go around, regardless of whether taking drugs was part of the team's plan. And without a clearer sense of responsibility — both on the part of the country's leaders and on the part of ordinary individuals who must carry out the orders of leaders — China is destined to more scandals in sports, finance and politics.

NEWS ANALYSIS

pride with the performance of top athletes. As a result, producing champion athletes and China's push last year to bring the 2000 Olympic Games to Beijing becomes a matter of national mobilization.

It is part of a drive by a China trying to reassert what it regards as its rightful place as a world power in economics, politics, nuclear weapons and sports. And although the government is expending a lot of effort on gaining admission to the General Agreement on Tariffs and Trade, swimming times also have high priority.

However, even after the Chinese Olympic Committee's admission that the athletes did indeed take drugs, a key question still lingered: Who is responsible? Was this a case comparable to the former East Germany, where taking drugs to enhance athletic prowess was part of a national campaign? The use of former East German coaches by China's swimming team and the incred-

Weah Leads PSG in Rout of Spartak

Compiled by Our Staff From Dispatches

George Weah was the hero as Paris-St. Germain completed a Champions' League grand slam by drubbing Spartak Moscow 4-1 on Wednesday.

The big Liberian striker scored two brilliant individual goals and laid on a third for

AC Milan 1, Salzburg 0: Titled holders AC Milan secured a place in the quarterfinals of the European Cup as it traveled to Vienna and won with a solitary goal from Daniele Massaro.

The Italian striker found the net after 29 minutes to ensure that the Italian champions kept alive their hopes of a fourth final appearance in six years.

Milan, beaten by Velez Sarsfield of Argentina in the Intercontinental Clob championship last week, overcame jet lag with some style.

Portugal's Benfica was already certain of winning the group and qualifying for the European Cup quarterfinals, while Belgium's Anderlecht was already out of contention.

Veteran Dutch defender Graeme Ruiters scored from close range in a goalmouth scramble four minutes after the interval to give Anderlecht a 1-0 lead.

But Edilson put the former European titleholders level in the 83d minute, coming from close range.

Bayern Munich 4, Dynamo Kiev 1: In Kiev, much-troubled Bayern Munich finally lived up to its potential, coming from behind to thrash Dynamo Kiev

and secure a place in the quarter-finals of the European Cup. The Germans went 1-0 down in the 38th minute of the Group B match, but Christian Nerlinger scored a fine equalizer and striker Jean-Pierre Papin wrapped up victory with two second-half goals. Substitute Mehmet Scholl added a fourth.

Barcelona 1, IFK Gothenburg 1: Barcelona, playing at home, clinched the single point it needed to go through to the European Cup quarterfinals with a draw.

The Spanish champions took the lead with a goal by captain Jose Bakero with just eight minutes left in their Group A match.

Sweden's Gothenburg looked to be heading for its first defeat of this season's competition, but Stefan Rehn found a chink in the Catalan defense to equalize with seconds left.

The draw left Gothenburg as group winner by three points from Barcelona and England's Manchester United.

Manchester United 4, Galatasaray 0: Manchester United scored an emphatic but ultimately hollow victory as its slim hopes of reaching the European Cup quarterfinals disappeared at Old Trafford.

United, with seven first team regulars missing through injury or suspension, played superbly in the Group A match to beat the Turks for the first time in four meetings.

But United missed out on a place in the last eight after finishing third in Group A behind IFK Gothenburg and Barcelona, who drew 1-1.

Although United and Barcelona both finished with six points from their six Champions' League matches, Barcelona goes through because it drew 2-2 with United in England and beat it 4-0 at home.

United could have advanced only if Barcelona had lost to Gothenburg.

Stefan Bucharest 4, Hajduk Split 1: Striker Adrian Ilie scored two of three goals in the opening 33 minutes to lead Steaua Bucharest to a victory in a Group C match.

Despite the defeat and Steaua's effective combination play, Croatia's Hajduk has already secured the quarterfinals in the Champions League.

Playing Split's Poljud stadium, Steaua went on the attack from the start, forcing Hajduk goalie Nenad Slavica to make at least two key saves on shots by strikers Damian Militaru and Ilie.

To the 11th minute, Ilie scored his first goal with a powerful shot at the ball passed to him from the left by Steaua veteran striker Marius Lacatus.

In the 23d minute, Lacatus found the net to put Steaua ahead. Ilie again scored in the 33d minute from just a half-meter out.

(Reuters, AP)

In a UEFA Cup match played Wednesday:

Eintracht Frankfurt scored a second-leg 1-0 victory on the road against Napoli to clinch a berth in the UEFA Cup quarterfinals, Reuters reported.

The victory at Naples' San Paolo stadium added to a 1-0 first-leg win and qualified the German team on a 2-0 aggregate score.

Ramos Weighs Risk on Soccer Field

LONDON — He will be running alone or training with his teammates. He will be losing himself blissfully in his work and that's when his head begins to ache again, at the top of the skull, directly above the injury. It grabs Tah Ramos like a hand on his shoulder.

He talks himself through it. The doctors have said it is fine for him to be playing again, though there was the one

doctor, but he talks himself out of thinking such things and he gets on with it. Only it's not the joy it used to be.

"One doctor said to me that if I was a boxer, he would tell me to retire," Ramos said the other day by telephone from Spain. "I was told that if I got hit hard in the head in the same place, there is a possibility of my right side becoming numb. If that's the case, then it's not worth it for me."

He has received other opinions from enough doctors who believe he can play without such risk. It's an uncomfortable time for him. He wants to forget all about it except for those rare dangerous moments when he wants to be aware. He wants to return to his outrageous ways and at the same time play carefully. There must be a way to do that. He probably would prefer to decide his course privately, but his job doesn't allow privacy. He knows he has achieved a certain celebrity for the way he was injured last summer.

The host U.S. team had qualified for the second round of the World Cup against eventual champion Brazil on July 4, the American Independence Day. For the first time Ramos was the best American player on the field. He had been frustrated by tactics in the first-round matches, but now he was controlling the ball when the Americans could hold onto it. The Brazilians

were vastly superior, but what little American spunk there was came from Ramos. Near the end of the half he was contesting with the Brazilian Leonardo. Ramos grabbed his shirt and Leonardo responded with an elbow. Then Ramos heard the sound of a train passing by.

"Maybe I was unconscious for just a second," Ramos said. "When I hit the ground I realized where I was and what had happened. So many things were going through my mind just in those seconds. I was like, oh, God, I can't move my legs and my arms, what's my wife going to do with me?"

He has seen himself on the videotape writhe and shaking on the ground, so he knows he recovered his senses in three or four seconds. He has memorized the replay after dozens of viewings, which probably has the awkward effect of forcing him to see himself as others saw him. He has shared in their experience of his accident. When he notices people watching him play, people who obviously remember the slow-motion impact of the elbow and the stretcher carrying him to the ambulance, does it not replay the dreadful images in his own mind? He probably would be better off if there hadn't been any television.

"It's the idea of knowing that's something wrong with your brain," he said. "That was the reason I had to stay in the hospital, because there was blood in my brain from the blow, and if it hadn't cleared up they would have had to go in and operate."

Leonardo visited him in the hospital, crying and sorry. Leonardo was banned from the rest of the World Cup, and Ramos believes the video shows that the blow was intentional. Yet he does not seem to hate his opponent for the fracture of his skull above the ear and all of the ensuing dilemmas, for Ramos admittedly has thrown such elbows.

Neither does he appear to feel pity for himself. He returned to Spain in mid-August with his wife, Amy, to find that his club of three years, Real Betis, had taken on seven foreign players, all of them capped by their countries. Only three can play at one time. He has spent most of the time recovering and regaining fitness, but the opportunity to prove some things to himself on the field has been delayed by the success of his club, ranked fifth in the first division after winning promotion last spring. At most, Ramos has played one half against a second-division team.

In one sense these things happen all the time, he says — players are always losing and regaining their positions. The signing period reopens in two weeks and he will look for a new team or at least a chance to play on loan. He has already turned down offers to move to the Spanish second division, or to Portugal. Wouldn't he be playing if not for his injury? He says the bigger issue is how he chooses to respond. He has done as much as he can to recover without playing. The final recovery can happen only on the field. All injured players have to decide how they're going to play again.

Ramos recovered from knee surgery in 1993. He said, "We're not talking about a knee injury, where you say the knee still hurts but I still have to go out and do my best and take my chances, and if the knee's going to blow out, it's going to blow out. We're talking about my head. It's not the kind of thing I'm going to completely forget."

"I've done some headers in practice, and it feels O.K. But whenever we get in a defensive wall, I'm going to try not to be in it, because if the ball's coming straight at my head, I might try to duck."

At 28, with the experience of two World Cups behind him, he ought to be peaking. He still might. He says he has grown up overnight and maybe he will be a better player for it. But there are times, he admits, when he bends down for a pen or an envelope that has fallen underneath a table, and standing up he flinches.

SIDELINES

Maradona Resigns as Club's Coach

BUENOS AIRES, Argentina (AP) — Diego Maradona, his team in danger of being relegated to the second division, resigned Tuesday as coach of the Argentine soccer club Deportivo Mandiyu, citing problems with the team president.

Maradona, speaking at a news conference, said club president Roberto Cruz came to the dressing room after last Saturday's game and "said things he should not have said." Maradona did not elaborate. Mandiyu is 1-5-5 since Maradona became coach Sept. 9. The team is based in Corrientes, 1,075 kilometers (670 miles) north of Buenos Aires.

Maradona, 34, is banned from playing by FIFA, world soccer's governing body, after testing positive for a banned stimulant during last summer's World Cup in the United States.

All-Women Crew to Face Conner

SAN DIEGO (AP) — America's historic all-women sailing team will face Dennis Conner in the first race of the first round robin of the America's Cup defender trials on Jan. 12.

The Maine-based PACT 95 will debut on Jan. 13 in a race against Conner, and America's will sail against PACT 95 on Jan. 14. The nine-race first round continues through Jan. 20. Conner has won the America's Cup three times and lost it once. America's defended the Cup in 1992 with a male crew.

CROSSWORD

ACROSS

- Instrumental hit of 1964
- Underwater acronym
- 60's singer James
- Bellcoese duty of 1964
- Patti LaBelle role
- On the road

DOWN

- Dig
- "O patrie mia," e.g.
- Beef alternative
- Transformed, at law
- Sonnet's end
- Geometry of Caselli
- Memphis locale
- Three men in
- Extremists
- Heath house
- Amid
- Raven relative
- Rock, Australia
- Some shirts, informally
- Scars
- Worship from
- Navy items of old
- Cart pullers
- Black Bears' home
- Like some cereal
- Hush-hush
- Have trouble with sisters?
- Movie pooch
- Harlequin (varicolored stone)
- Nursery outfits
- School times
- Marge Schott's boys
- Mayfair hotel employee
- Falls upon
- Text driver, often
- Throw away
- Not even
- General Powell
- Brisk dance
- United Church of Christ college
- Adam of fiction
- 007's school
- Latvian capital
- Humdrum

Solution to Puzzle of Dec. 7

STEW	MEOC	ACTI
ARNE	AGONY	SHOT
LIVERLOVE	IONE	
AMY	ALIEN	IDION
MISS	INTER	
COPAS	WAGOO	CHE
OPENEO	THINTHEN	
ARPS	OUTST	BART
TAPETIDE	ELAINE	
SHYDEAD	ERROR	
PRONE	ONES	
BRUIT	RIGOR	DOS
OOFS	SCANTISCENT	
SUPE	SUGAR	AWAY
HEYS	STOPE	LIVINX

ESORTS & GUIDES

BELGRAVIA ORCHIDS

LONDON PARIS GENEVA ZURICH
Escort Agency Credit Cards Welcome
UK 071 589 5237

INTERNATIONAL ESCORTS

London Escort Service
Tel: 0171 722 5000
Major Credit Cards Accepted

GENEVA - ZURICH

ALLIANCE
Escort Service & Travel, Midlandpark, Del. Geneva 022 / 311 07 24

MADISON

LONDON PARIS Escort Agency
UK 071 266 0586

LONDON'S NO. 1 ESCORT

3 Shaftesbury St. London W1
AGENCY 071 258 0090

CHESEA ESCORT SERVICE

51 Beauchamp Place, London W2
Tel: 071 584 1513

INTERNATIONAL CLASSIFIED

(Continued From Page 5)

GENEVA & ZURICH

*** GENEVA ***
MRS. ESCORT SERVICE
Tel: 022 346 09 09
ALL CREDIT CARDS ACCEPTED

MILAN - ROMA ESCORT SERVICE

CALL 06 54 39 39 or 06 50 22 6972

HONEY POT

London Escort Agency 071 935 1647

LUCY - EMMA

London Escort Service
Tel: 0171 362 0032

LUCY - EMMA

London Escort Service
Tel: 0171 362 0032

ROMA - BOLOGNA - BOLOGNA - ROMA

ESCORT SERVICE - Credit Cards
021-510 6143 - 011-240409

VERONA - ZURICH - PARIS - MANTOVA

ROMA SOCIETY International Escort
Call Vienna +43 1 23 41 04

AMSTERDAM DREAMS ESCORT

Dance, drink & personal guide service.
Tel: +31 20 624 62 11 / 7 64 02 666

RENNINGTON ESCORT AGENCY

10 Kensington Church St, London W8
Tel: 071 727 9147/9175 credit cards

AMSTERDAM BERNADETTE

Escort Service
Tel: 020 4471 370
Credit Cards Accepted

RENNINGTON ESCORT AGENCY

all areas, Escort Service.
089-47204

MRS. ESCORT SERVICE

Escort Service
Tel: 020 346 1916

AMSTERDAM BERNADETTE

Escort Service
Tel: 020 4471 370
Credit Cards Accepted

ITALY - PARIS - COTE D'AZUR

worldwide French Riviera escort agency
Tel: 011 4 31 34 34

ORIENTAL ESCORT SERVICE

LONDON
PLEASE PHONE 071 225 3314

ZURICH - GENEVA - LONDON

NATURAL Escort Service
Tel: 01 / 453 23 34

MALE ESCORT AGENCY

LONDON (01) 262 2000
(CREDIT CARDS ACCEPTED)

VERONA - PARIS - BOLOGNA - ROMA

EUROCONTACT Int'l Escort & Travel
Services Tel: Vienna +43 1 310 63 19
Tel: 071 77 40 87

ZURICH - GENEVA - LONDON

Escort Service
Tel: 01 / 381 99 48

ZURICH - PARIS

Escort Service
Tel: 011 25 20 0000

ZURICH - DUSSELDORF - ROMAN

AMETHISTE Int'l Escort/Travel Service
CALL SWITZERLAND 061-610 22 39

ESCORT SERVICE

TEL: 0172 - 892 706

AMSTERDAM CINDERELLA'S

"Int'l Escort Service"
Tel: +31 20 628 2201

PARIS - VIENNA

Christina Escort & Guide Service
Call Vienna +43 1 278431

To subscribe in Switzerland
just call, toll free,
135 57 57

ART BUCHWALD

The Sizzling Speaker

WASHINGTON — Newt Gingrich is not only going to be the speaker of the House, he could also become a sizzling fiction writer. This means that the country will be getting a twofor.

In his latest book he describes a beautiful spy in a steamy scene with the White House chief of staff.



Buchwald

Excerpt: "Suddenly the pouting sex kitten became Diana the huntress—she rolled onto him and somehow was sitting at his feet, her knees pinning his shoulders. 'Tell me or I'll do terrible things,' she hissed."

It so happens that I have been writing a fiction book on a speaker of the House who gets seduced by his own manipulation and becomes a sex slave to his ambition.

I haven't finished the entire first draft yet, but I have completed several of the hot scenes that will help sell the book.

"The speaker walked into the bathroom of his private office and looked in the mirror. He liked what he saw. 'I have a contract with America,' he said. 'And I will seduce her with persuasion or whatever else it takes.'"

Stolen Vases Recovered By the Vatican Museum

Reuters

VATICAN CITY — Three ancient Greek vases stolen from the Vatican Museum last June have been recovered, the museum said Wednesday.

Italian police gave no further details.

"He heard a breathless voice whisper in his ear. 'Don't stop, don't stop, please don't stop.'"

"The speaker combed his curly silver hair. He liked what he saw. 'I'm in favor of family values, but at the same time I would love to ravage the welfare system and violate every government program inside the Beltway.'"

"The female voice whispered, 'Is it as good for you as it is for me?'"

"Newt took off his shirt and studied the hair on his chest. In January they would all know what kind of man he really was. He examined the rippling muscles in his arms, dreaming of how deep they would slash the budget. He liked what he saw."

"If I don't get prayer back in the public schools, I will walk out of the House forever."

"The voice cried, 'Don't leave me like this. You're the only one I've ever loved. Besides, I want your baby.'"

"Newt grinned. 'You can have it because I'm going to pass a constitutional amendment forbidding all abortion. You can always put it in an orphanage.'"

"The speaker said to the mirror, 'Do you think that I will be criticized for writing soft porn?'"

"He answered his own question: 'It doesn't matter what they think. As speaker I am top dog.'"

"Newt took a freshly pressed suit from his closet and put it on. The female voice cried, 'Will you come back?'"

"Soon, I have to make love to the NRA people so that we can get a shameful pleasure from gutting the crime bill."

"I never felt this way about anyone before," she said breathlessly. "Did the Earth move for you?"

"It did. Which reminds me I have to do something about the Environmental Protection Agency."

By Bernard Weinraub
New York Times Service

LOS ANGELES — The fact that Hollywood's first high-profile film about sexual harassment involves a woman harassing a man leaves its creators and stars uneasy and a bit defensive.

"We're making a movie, not an issue," said Michael Douglas, a star of "Disclosure," the adaptation of the Michael Crichton suspense thriller about corporate intrigue and sexual politics, which opens Friday in the United States. "It's really about the use of harassment as a tool for power. And it's very effective in terms of allowing people to look at the issue from the other side."

"Disclosure," which is directed by Barry Levinson, also stars Demi Moore as an ambitious and vengeful corporate executive on the rise and Donald Sutherland as her boss in a cutting-edge computer company.

The plot involves a married Seattle executive, played by Douglas, whose expectation of a promotion is shattered when he's passed over in favor of a cool, smart and ferociously ambitious executive (played by Moore) from the company's Silicon Valley headquarters. Ten years earlier, the two had had an affair.

When the Moore character aggressively seeks to resume the affair, and is rejected, she promptly charges him with sexual harassment and seeks to destroy him. The film was adapted by Paul Attanasio, the screenwriter for "Quiz Show," who has turned it into a high-tech suspense thriller, complete with a virtual-reality sequence.

For Levinson, the Academy Award-winning director (for "Rain Man"), the film is clearly an effort to take on a commercial, star-driven venture and get his career back on track after such recent high-profile flops as "Toys" and "Jimmy Hollywood."

For Douglas, the movie presents yet one more role in a highly successful career in which he depicts ordinary men in extraordinary situations. ("Actually I did some of this role in 'Fatal Attraction,'" he said. "But that was 10 years ago.")

And for Moore, the role of Mer-



Director Barry Levinson (center) with Demi Moore and Michael Douglas, the stars of "Disclosure."

edith Johnson in "Disclosure" serves as a potential breakthrough into the top echelon of movie stars. Moore became pregnant and dropped out.

"In truth, I was terrified," Moore said. "Her nature is so different than mine." She said of the character she plays, "I didn't want to make her stereotypical. I didn't want to fall into the obvious trap of evil seductress. It's such a rich part: the complexities are endless. And in the end,

she's probably a lot smarter than most of the people around her and I think really good at her job. We all know women and men like this. Manipulative. Dishonest. She enjoys pushing buttons and watching people's discomfort. She's not out to hurt anybody as long as nothing gets in her way."

Moore said the sexual harassment issue, and the male-female reversal in the movie, deepened the film's high-speed plot.

"This is a dynamic way of dealing with a volatile issue," she said. "The fact that the roles are switched provides us, I think, with a certain heightened sensitivity and awareness of this issue."

"Disclosure" is hardly the first film to deal with harassment and sexual politics; last month, for instance, David Mamet's "Oleanna" was released, but it is the first high-profile movie with big stars to try to tackle the issue.

Levinson said over breakfast one morning recently that the male-female reversal fascinated him. "Somehow if you flip the roles, you have to pay attention," he said. "The film was a way to look at all of this in a fresh light and see how difficult it is for anybody to say, 'I have a problem; this is what happened.' And knowing how dangerous it is for your life and reputation."

Acknowledging that "Disclosure" had become more of a thriller than an exploration of sexual politics, he said: "It's not a polemic; it's not the definitive film on sexual harassment. If that's what someone wants, they'll have to look elsewhere."

The film is considered to have some of the best women's roles in years, however, including the performance of a New York-based actress, Roma Maffia, as Douglas's lawyer.

As to Moore's character, Levinson said: "Some people look on her as a villain-villain. And I thought, 'Wait a minute. If this was a movie about a man harassing a woman, we'd never look on the guy in the same way. He wouldn't be such a villain. There are some cutthroat business executives out there. The fact that a woman does it makes her even more villainous.'"

The often tangled relations between men and women have been central to most of Levinson's films, which included "Diner," "Tin Men," "Good Morning Vietnam" and "Bugsy."

"The whole struggle between men and women, the struggle to understand one another, the frustration we have with one another have been themes in pretty much everything I've ever done," Levinson said.

As to Douglas, the role of Tom Sanders in "Disclosure" is one more part in which the actor plays a more-or-less average man caught up with beautiful, dangerous women, from Glenn Close ("Fatal Attraction") to Sharon Stone ("Basic Instinct") to Moore. Tough work, but somebody's got to be the victim.

"The part was pretty close to me," he said in a telephone interview. "I could be that person. I didn't have to put on a mask."

WEATHER

Europe

	Today	High	Low	W	High	Low	W
Algeria	17/22	10/50	5/34	13/53	5/34	13/53	5/34
Amsterdam	10/16	5/34	5/34	13/53	5/34	13/53	5/34
Athens	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Bombay	15/81	61/113	5/34	13/53	5/34	13/53	5/34
Brussels	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Buenos Aires	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Budapest	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Cairo	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Caracas	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Chicago	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Colombo	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Columbus	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Dallas	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Edinburgh	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Frankfurt	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Geneva	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Helsinki	11/14	1/34	5/34	13/53	5/34	13/53	5/34
London	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Madrid	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Moscow	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Munich	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Nice	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Osaka	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Paris	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Rome	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Seoul	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Shanghai	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Stockholm	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Taipei	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Tokyo	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Washington	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Zurich	11/14	1/34	5/34	13/53	5/34	13/53	5/34

Forecast for Friday through Sunday, as provided by Accu-Weather.

	Today	High	Low	W	High	Low	W
Algeria	17/22	10/50	5/34	13/53	5/34	13/53	5/34
Amsterdam	10/16	5/34	5/34	13/53	5/34	13/53	5/34
Athens	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Bombay	15/81	61/113	5/34	13/53	5/34	13/53	5/34
Brussels	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Buenos Aires	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Budapest	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Cairo	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Caracas	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Chicago	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Colombo	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Columbus	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Dallas	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Edinburgh	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Frankfurt	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Geneva	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Helsinki	11/14	1/34	5/34	13/53	5/34	13/53	5/34
London	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Madrid	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Moscow	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Munich	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Nice	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Osaka	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Paris	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Rome	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Seoul	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Shanghai	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Stockholm	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Taipei	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Tokyo	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Washington	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Zurich	11/14	1/34	5/34	13/53	5/34	13/53	5/34

Asia

	Today	High	Low	W	High	Low	W
Bangkok	30/86	27/81	21/68	27/81	21/68	27/81	21/68
Beijing	10/50	4/32	5/34	13/53	5/34	13/53	5/34
Bombay	15/81	61/113	5/34	13/53	5/34	13/53	5/34
Buenos Aires	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Budapest	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Cairo	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Caracas	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Chicago	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Colombo	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Columbus	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Dallas	16/27	9/48	5/34	13/53	5/34	13/53	5/34
Edinburgh	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Frankfurt	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Geneva	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Helsinki	11/14	1/34	5/34	13/53	5/34	13/53	5/34
London	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Madrid	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Moscow	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Munich	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Nice	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Osaka	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Paris	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Rome	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Seoul	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Shanghai	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Stockholm	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Taipei	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Tokyo	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Washington	11/14	1/34	5/34	13/53	5/34	13/53	5/34
Zurich	11/14	1/34	5/34	13/53	5/34	13/53	5/34

BAD news for the tabloid press: Burt Reynolds says his spat with Loni Anderson is over. After two tense days in court, Reynolds has agreed to pay his ex-wife an undisclosed amount of monthly child support for their adopted 6-year-old son, Quinton. "This saga is over. Let's put it to bed. I'm very happy we were able to sell papers for a year," Reynolds said of their messy separation and divorce. Outside the courthouse, Reynolds and Anderson warmly embraced. Reynolds, 58, got the \$4 million ranch in Florida and a \$2 million waterfront mansion. Anderson, 48, got \$2 million over five years to pay for her new home and \$11,000 a month in alimony.



Anderson and Reynolds leaving court.

What may be this century's best-known bird has been auctioned off. The Maltese falcon, the central prop in the classic 1941 movie, was bought for \$398,500 by Ronald Winston, president of Harry Winston jewelers in New York. The object is about a foot (30 centimeters) high and weighs about 50 pounds (22 kilograms). Separately, an unidentified American collector has paid \$550,000 for the hunting rifle that Theodore Roosevelt took with him on

in San Francisco, has been called perhaps the finest ever made.

Prince Andrew has invited his estranged wife, the Duchess of York, to move back into their marital home while she is looking for new quarters after her rented house is sold, a British tabloid says. The Sun says Queen Elizabeth's second son was still hoping for a reconciliation with his wife.

Sylvester Stallone and Arnold Schwarzenegger are molly-coddled wimps, afraid to do their own stunts, says Jackie Chan, the Hong Kong movie star. "I don't use stunt men," said Chan, 40, who has broken 20 bones leaping from speeding cars and diving from buildings in his action films.

Spike Lee, the director whose movies include "Malcolm X," has become a father for the first time. His wife, Tonya Lewis, a Washington lawyer, has given birth to a 2.9 kilogram (6.5-pound) daughter named Satchel. Lee is currently working on a movie about Jackie Robinson, major league baseball's first black player. On becoming a father? "I'm still at a loss for words."

